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THE UNITED STATES AND ECONOMIC COLLABORATION AMONG THE COUNTRIES OF EUROPE

The Europe-wide character of the problems of reconstruction have given the countries of Europe a renewed interest in economic collaboration. The constellation of post-war politics has given the major powers a compelling interest in the unity and neutrality of continental Europe. These mutually supporting tendencies have found expression in the European emergency economic organizations and in ECOSOC's Temporary Subcommittee on Economic Reconstruction of Devastated Areas. Recognizing the need for a permanent European economic body affiliated with the United Nations, the United States and certain European countries have proposed the establishment of an economic commission for Europe, under ECOSOC, to deal with the immediate problems of European reconstruction. This proposal was unanimously approved by the General Assembly and will be acted on by ECOSOC at its February session.

by H. van B. Cleveland

The idea of close economic collaboration among the nations of Europe, expressed through regional economic bodies of various kinds, is an old one. And this is not an accident. Despite the economic dependence of continental Europe on trade with the United Kingdom and with the major overseas trading countries, the intensity of international economic interdependence in Europe is far greater than in any other part of the world. Per capita, the people of Europe are several times more dependent on international trade than the people of any other continent. Before the war more than half of the total international trade of European countries was among themselves; for the countries of eastern and central Europe, the proportion was nearer three fourths.

In spite of the compelling reality of their economic interdependence, the countries of Europe have for the past generation been moving in the opposite direction, toward economic nationalism. This development has been but one symptom of the hypernationalism and of the accompanying break-down of the political and economic order of nineteenth-century Europe which produced the

two World Wars. It is worth recalling, perhaps, that this break-down was the result of both political and economic factors. The growth of industrial and military strength in Europe, the increasing range of activity of national governments in economic affairs, the search for economic self-sufficiency for military reasons, and the desire to insulate national economies from world-wide economic disturbances—all contributed to the centrifugal tendencies of twentieth-century European nationalism.

Europe has paid dearly for its economic disunity. Despite the density of its population, the abundance and variety of its resources, and the skill of its manpower, lack of economic integration has been an important factor in retarding the economic development of eastern and south-eastern Europe and in holding down the average level of European productivity and living standards far below those of the United Kingdom and North America. Thus, in 1939, the average American employed in mining and in industry produced goods worth two and one-half times those produced by the average European employed in comparable European industries.

The economic condition of Europe at the end of World War II has given European countries a renewed interest and faith in the possibilities of European economic collaboration. At the same time the post-war constellation of world politics has given the major powers a compelling interest in the unity and the neutrality of continental Europe. The concrete expression of these mutually supporting tendencies in post-war Europe in the 18 months since liberation is the subject of this article.

On V-E Day most of the continent of Europe was economically prostrate. In the war-devastated countries the 1945 food crop averaged only about 50 percent of pre-war crops. Industrial output was unbelievably low, and much of what was being produced was absorbed by the Allied military. Trade was at a standstill, not only because production was so low but also because traditional trade relations had been severed by the war and, in many countries, disrupted by political and social upheavals that wrenched control not only of government but also of industry and commerce from the former ruling and commercial classes.

As the devastated countries of Europe set about the task of reviving agricultural and industrial production and began the physical rebuilding of their national capital, they were all faced with similar economic problems. The initial concern of each country was to recreate a working economy and to provide its population with the necessities of life. Government action was concentrated on the removal of the most immediate obstacles to essential production, such as emergency repair and rehabilitation of transport; increased coal output; collection of food from the farms; and reestablishing of rationing and distribution controls and monetary and fiscal measures to check inflation and thus to permit revival of domestic commercial activity.

There were, however, three of the most pressing economic problems which could be solved only by cooperative international action. These were the problems of relief, coal, and transport. The relief problem became the responsibility of UNRRA, shared to some extent by the Allied military forces. The coal and transportation problems required the establishment of emergency machinery

for economic collaboration among the European countries and the major powers.

The coal problem was in essence the division of a very inadequate supply from Germany, the United States, the United Kingdom, and Poland, among the coal-importing countries of northern, western, and southern Europe, each of which required much more coal than it had any hope of receiving. Shortly after V-E Day, the western European countries, the United States, and the United Kingdom established the European Coal Organization (ECO)¹ which undertook the job of dividing among European countries, by mutual agreement, the German and American coal exports available for Europe. Poland and Czechoslovakia later joined the ECO, and a large part of Polish coal exports became subject to ECO allocation.

The immediate international transport problem in Europe following liberation was to reestablish a system of free interchange of railway cars across international boundaries, to arrange for the return of displaced rolling stock (including restitution of looted stock) to the owning countries, and to allocate equitably among European countries surpluses of military rolling stock. The European Central Inland Transport Organization (ECITO) was set up to take care of this job and has handled it effectively. Most European countries, as well as the United States, the United Kingdom, and the Union of Soviet Socialist Republics, are members.

The need for equitable distribution among European countries of other commodities in seriously short supply (e. g. timber and alkalis) suggested the desirability of establishing the Emergency Economic Committee for Europe (EECE). EECE has established specialized working groups representing interested countries, which have recommended equitable methods of dividing up allocations of available supplies in Europe of timber, alkalis, oil cake, fertilizers, and other commodities; have arranged for the marketing of surplus fish supplies; and have made a small start in the complex problem of reviving trade between Germany and the rest of Europe. Through its public-utilities panel the EECE has been providing coordination of electrical supplies over the "grid" in most of northwestern Europe, and has assisted in the reconstruction of lines for the export of power from Germany to her neighbors.

¹ For article by Wayne Jackson on the European Coal Organization, see BULLETIN of Dec. 2, 1945, p. 879.

and with measures to increase the amount of German power available for export. Formal membership in EECF is confined to western and northern European countries, Greece, and Turkey, but Poland, Czechoslovakia, and more recently, Yugoslavia, participate actively in the work of its subcommittees. Effective working relations have been established with European countries which are not formally members. Membership in the EECF and ECO has always been open to the Union of Soviet Socialist Republics, which, so far, has not joined.

The organizational pattern of the three "E" organizations is significant—membership of interested continental countries plus some or all of the major powers. This pattern is the institutional expression, not only of the necessity for solving these particular economic problems on a Europe-wide basis and of the contribution which the major powers can make to their solution, but also of a political policy first articulated in the Yalta declaration: that the three major powers "declare their mutual agreement to concert . . . the policies of their three governments in assisting the peoples liberated from the domination of Nazi Germany and the peoples of the former Axis satellite states of Europe to solve by democratic means their pressing political and economic problems". Behind this policy lies a fundamental conviction—that economic collaboration among all the countries of Europe and the practice of joint responsibility for European economic reconstruction by the major powers will make an important contribution to the political unity of the major powers; that, conversely, economic disunity in Europe, polarized into an East-West split through competitive economic action by the major powers, threatens world peace.

Although Europe is no longer a main center of world power, it remains the key area of friction and potential conflict between the great powers. Behind the structure of the E organizations and the proposed United Nations economic commission for Europe discussed below lies the desire to lessen the possibilities of such conflict by promoting collaboration in economic matters among the major powers, together with European countries. The same objective may also be seen in the provisions of the Potsdam Declaration, which calls for the economic unity of Germany under quadripartite control. The United States has

made this principle a keystone of its German policy.

The Economic and Social Council of the United Nations (ECOSOC) at its second session in June 1946 took an active interest in the economic reconstruction of Europe. A proposal, originally put forward by Isador Lubin, was on its agenda: to establish under ECOSOC a Temporary Subcommittee on Economic Reconstruction of Devastated Areas. This proposal, which was strongly supported by the United States, was unanimously approved by ECOSOC on June 20, and the subcommittee was instructed to advise ECOSOC at its next session concerning:

"(a) the nature and scope of the economic reconstruction problems [of the war-devastated countries of Europe and Asia], and

"(b) the progress of reconstruction and the measures of international cooperation by which reconstruction in those countries might be effectively facilitated and accelerated".

Recognizing the necessity for a regional approach to the problems of economic reconstruction, ECOSOC authorized the subcommittee to divide itself into two working groups: one for Europe and Africa and the other for the Far East. The first meeting of the subcommittee was convened in London, July 29, 1946, to prepare a preliminary report on problems of European reconstruction, the Far East being left for later consideration after the third session of ECOSOC. The subcommittee was composed of delegates from Australia, Belgium, Canada, China, Czechoslovakia, Ethiopia, France, Greece, India, the Netherlands, New Zealand, Norway, Peru, Poland, the Republic of the Philippines, the Union of Soviet Socialist Republics, the Ukrainian S.S.R., the United Kingdom, the United States, and Yugoslavia. The Delegate of France, M. Baumgartner, was designated by ECOSOC as chairman of the subcommittee, and the Delegate of the United States, Isador Lubin, was elected by the subcommittee as rapporteur.

From its first meeting, the work of the subcommittee was characterized by an atmosphere of friendly cooperation and of concentration on the technical problems of European reconstruction. At no time during its work did any split develop between East and West, and all important decisions were reached unanimously. The subcommittee divided itself into three area subcommittees

for Europe: one each for eastern, western, and southern Europe. From the three subcommittees were drawn three field teams which visited respectively France-Belgium-Luxembourg-Netherlands, Poland-Czechoslovakia, and Greece-Yugoslavia. All delegations that so wished were represented on the teams; the United States Delegation was represented on each team.

The function of the subcommittees and their field teams was to study the progress of economic recovery and reconstruction in their countries and to prepare reports of what they found for inclusion in the subcommission's report to ECOSOC. The teams were instructed to obtain detailed information from the countries visited on the recovery of industrial and agricultural production, on obstacles to increase of production, on the government's economic reconstruction and development plans and on the prospects of these plans being fulfilled, and, finally, on the measures of international collaboration required to speed up recovery and reconstruction.

The field teams received excellent cooperation from the governments of the countries visited and were given full access to the economic information which these governments had, though in a number of the countries the governments found it difficult to provide, in the short time available, the information requested. The field teams produced country reports which, it was agreed by all the members, gave in general an objective and clear picture of the state of recovery, of recovery plans to the extent that such plans had been actually formulated, and of the principal obstacles to recovery.

The subcommission reassembled in London on September 1. The work of drafting a report and formulating recommendations to ECOSOC fell on a drafting committee whose membership included most of the European delegations and the United States. The secretariat of the subcommission, provided by the United Nations Secretariat, under the guidance of Raoul Aglion of France, did a major share of the job. The most active participants in the work of drafting the report were the British, Polish, Belgian, and American Delegations, though all the European delegations participated to a considerable extent.

The subcommission's report¹ showed that most of the devastated countries of Europe had made remarkable progress; with few exceptions they had passed beyond the immediate post-hostilities emergency period. Agricultural production had risen from an average of 50 percent of pre-war in 1945 to roughly 70 percent in 1946. Industrial production in the more industrialized countries of liberated Europe had risen from the very low post-liberation levels to an average of 75 percent of pre-war in July 1946, though the degree of recovery varied widely between countries. With the indispensable assistance of UNRRA and foreign credits, imports of most liberated countries were near their pre-war level; exports, however, although increasing more rapidly than had earlier been thought possible, were still only a fraction of their pre-war volume. Because of the cumulative shortages of consumer goods, the destruction and deterioration of housing, and the necessity of diverting a large share of national production to the repair and rebuilding of industrial and agricultural capital, over-all standards of living in the liberated countries would be unlikely to reach the pre-war level for from five to ten years.

The subcommission found that the principal obstacle to recovery in the industrial countries of Europe was still the shortage of coal. Despite their success in increasing their domestic coal production, in some cases above the pre-war level, the low level of German coal production and exports threatened to place an absolute ceiling on industrial recovery and hence to postpone still further the recovery of pre-war living standards. For the agricultural countries, the enormous loss of draft animals and other livestock and the cumulative depletion of the soil during the war years threatened to keep agricultural production below pre-war levels for several years. In almost all of liberated Europe, serious shortages of foreign exchange, particularly dollars, and the difficulties of reestablishing trade with other European countries constituted serious obstacles to recovery.

For the immediate future, the subcommission's report stressed the economic difficulties ahead for the European countries in reestablishing advantageous trade relations with Germany, in finding new sources of supply for former German exports of machinery, iron and steel products, and chemicals, and in finding new markets for part of their agricultural surpluses which they had previously

¹ Copies of this report may be obtained from the United Nations Secretariat, Lake Success, N. Y., under the designation A/147, 26 October 1946.

sold to Germany. For the longer run, the subcommission pointed out that the uncoordinated economic planning being carried on by the countries of Europe might cause serious economic maladjustments unless the planners worked in close consultation with each other, with knowledge of each other's plans.

The subcommission was able to point out these basic obstacles to recovery and to propose in general terms methods for overcoming them; it was unable, however, in the short time at its disposal to formulate a series of concrete recommendations for remedial action. It was apparent almost from the beginning of the subcommission's work that the size and complexity of the task of European recovery required not a single report and a single series of recommendations; continuous review and consultation among the European countries and the United States concerning means for attacking the obstacles to recovery mentioned above was needed. This conviction led to a series of proposals by the Polish, British, and American Delegations to establish an economic commission for Europe. These proposals, which were eventually consolidated into a single draft, envisaged a commission subordinate to ECOSOC, with its headquarters on the European Continent, which would replace or take over as subordinate bodies the ECO, ECITO, and EECE; it would be a body composed of the United States and the European countries which are members of the United Nations, and would be "charged with the task of facilitating concerted action for the economic reconstruction of Europe, and with initiating and participating in measures necessary for the expansion of European economic activity and for the development and integration of the European economy". This proposal was referred by the subcommission, along with its report, to ECOSOC for final action.

At its third session, in October 1946, ECOSOC considered the report of the subcommission and the proposal for an economic commission for Europe. In ECOSOC the proposal received the strong support of the majority of the European countries represented and of the United States. The Soviet and some other delegations were without final instructions from their governments, and it was accordingly agreed that the final decision should be held over until the fourth session of ECOSOC in February 1947. Because of the im-

portance of the decision, it was felt desirable to give all interested countries ample opportunity to consider it.

In order to give countries not represented on ECOSOC an opportunity to express their views on the proposed commission, the United Kingdom raised the proposal for discussion in the General Assembly at its session just completed. The General Assembly agreed unanimously to a resolution originally proposed by the Norwegian Delegation, recommending to ECOSOC that it give "prompt and favorable consideration" at its February session to the establishment of an economic commission for Europe.

Although no detailed work program for the proposed commission has been formulated or agreed to by the governments concerned, it is not difficult to foresee the kinds of activities with which the commission would be most immediately concerned. Measures of international collaboration to assist in overcoming the major obstacles to recovery which the subcommission found—coal shortage, reestablishment of intra-European trade (particularly trade with Germany), shortage of foreign exchange, adjustment to the present low level of industrial production in Germany and to that which would prevail under the Level of Industry Plan,¹ coordination of European countries' reconstruction and development plans—would be first on the commission's agenda.

The commission might be expected to attack the European coal shortage along three lines. First, it might arrange for consultation among the interested countries as to what measures might be taken to increase coal production in Europe, including domestic measures within the coal-exporting countries and external assistance in the form of supplies, equipment, and manpower. Secondly, the commission might reexamine the present formula used in dividing up the available German, American, and Polish coal exports among the coal-importing countries of Europe. Such an examination could be expected to show that the present allocation formula should be partially replaced with a formula which would reflect to a greater extent the relative importance to European recovery of different end-uses of coal. The present allocation formula divides up the coal among countries with very little regard to the use to which

¹ For explanation of the Level of Industry Plan, see BULLETIN of Apr. 14, 1946, p. 636.

the coal is to be put. The commission could continue the work that EECE is beginning along these lines.

The third aspect of the European coal problem is the division of German coal production between consumption in Germany and export to other European countries. The way this division is made is critical for European economic recovery, since the level of German coal exports determines both the rate of recovery of the industrial countries of Europe and of industry in Germany. It affects also the cost of German occupation to the occupying powers and the need for loans and relief assistance to some European countries. The problem is complicated by the fact that a minimum industrial revival of Germany is as essential to some European countries as German coal exports are to others. The commission might consult with the occupation authorities in their task of working out a division of German coal output in order to compromise fairly and efficiently the many conflicting interests involved.

Trade among European countries is now at very low levels and is conducted almost exclusively on strictly bilateral barter terms; trade with Germany is spasmodic and almost at a standstill. The reactivation of intra-European trade has two closely interrelated aspects: the reestablishment of trade with Germany, and the increase of trade and the gradual evolution toward multilateral trade and away from bilateral barter among other European countries.

In order to reestablish trade between Germany and the rest of Europe, the economic commission for Europe might facilitate consultation between representatives of the foreign trade ministries of the countries concerned and trade officials of the occupation authorities, with respect to procedures for trade with Germany, financial and transport arrangements, German export possibilities, and import needs. Maximum emphasis could be placed on multilateral as opposed to bilateral balancing of accounts. The commission might also recommend to the occupation authorities a reasonable division among the countries of Europe of German exports of commodities difficult to obtain from other sources.

Although financial assistance to Europe by government loans and through the International Bank and Fund, and the work of the trade conference (and ultimately the ITO), may be expected

gradually to permit intra-European trade to break out of the narrow bilateral channels in which it is now locked, the commission could accelerate this evolution by arranging for the multilateral negotiation of short-term multilateral trade agreements among European countries.

The commission's contribution to the ability of liberated countries to pay for imports needed for reconstruction might take the form of a careful and detailed analysis of the magnitude and timing of financial assistance needed by individual countries, the relative urgency of different countries' needs from the point of view of the recovery of Europe as a whole, and the magnitude and incidence of the repayment problem. Such an investigation would be of assistance to needy countries in arranging for necessary financial assistance and to the lending countries and agencies in making the most effective use of their limited funds.

The prevailing low level of industrial production in Germany and the eventual application of the Level of Industry Plan, which calls for drastic reductions in German production and exports of steel products, most kinds of machinery, and heavy chemicals, create for Europe the necessity of replacing Germany as a source of supply for these commodities, the demand for which will be very high over the next few years. For each of these industries, some kind of Europe-wide consultative machinery is needed to facilitate the distribution of available output according to essential needs and to work out a rational program for the creation of sufficient low-cost production capacity outside of Germany. The commission, working through appropriate technical subcommittees, might provide the necessary machinery for this consultation.

Finally, the economic commission for Europe would provide the means whereby the economic ministries of the European countries could consult with each other about the many international aspects of their various reconstruction and development programs. The close economic interdependence of the European countries means that economic planning in isolated national compartments can produce only economic chaos or, in self-defense, planning for national autarchy. In the longer run, only the practice of close economic collaboration in Europe can free the channels of European trade and permit rapidly rising production and living standards.

THE NÜRNBERG JUDGMENT: A SUMMARY

by Katherine B. Fite

The general definition of the crimes charged against the defendants at Nürnberg is contained in the Charter of the International Military Tribunal, which describes the Tribunal's composition and jurisdiction. Particulars of the charges are set forth in the Indictment. The article below summarizes the Tribunal's judgment against the background of the Charter and Indictment.

The Charter of the International Military Tribunal at Nürnberg and the Indictment of the 24 "major" Nazi war criminals have been widely read and publicized.¹ By now everyone is familiar with the broad outlines of the judgment of the Tribunal in terms of the findings of guilt or innocence of the individual defendants and their sentences, and in terms of the Tribunal's declaration of criminality in the case of certain of the accused organizations and its failure to declare other organizations criminal. However, little attention has been paid publicly to the reasoning of the Tribunal's judgment and to its holdings on the various charges made in the Indictment. It may therefore be of some interest to review the Tribunal's judgment, which runs into almost 300 mimeographed pages, against the background of the Charter and the Indictment.

After quoting article 6 of the Charter of the Tribunal, under which the defendants were indicted and which defined the crimes that came within its jurisdiction, the Tribunal, "for the purpose of showing the background of the aggressive war and war crimes charged in the indictment" commenced "by reviewing some of the events that followed the first world war, and in particular, by tracing the growth of the Nazi Party under

Hitler's leadership to a position of supreme power from which it controlled the destiny of the whole German people, and paved the way for the alleged commission of all the crimes charged against the defendants." The sections devoted to this review are entitled "The Nazi Regime in Germany; the Origin and Aims of the Nazi Party; the Seizure of Power; the Consolidation of Power; Measures of Re-armament."

Crimes Against Peace

Thereafter the Tribunal considered the crimes against peace charged in the Indictment which are defined in article 6 (a) of the Charter as follows:

"(a) Crimes against peace: Namely, planning, preparation, initiation or waging of a war of aggression, or a war in violation of international treaties, agreements or assurances, or participation in a common plan or conspiracy for the accomplishment of any of the foregoing;"

Count One of the Indictment charged the 24 defendants with conspiring or having a common plan to commit crimes against the peace (as well as war crimes and crimes against humanity). Count Two charged them with committing specific crimes against peace by planning, preparing, initi-

¹ Department of State publication 2420.

ating, and waging wars of aggression against a number of other states. The Tribunal considered together the question of the existence of a common plan and the question of aggressive war.

The Tribunal opened its discussion of crimes against peace with the statement:

"War is essentially an evil thing. Its consequences are not confined to the belligerent states alone, but affect the whole world.

"To initiate a war of aggression, therefore, is not only an international crime; it is the supreme international crime differing only from other war crimes in that it contains within itself the accumulated evil of the whole."

The preparation and planning for aggressive war were briefly reviewed as "a deliberate and essential part of Nazi foreign policy," and the events relating to the seizure of Austria and Czechoslovakia were discussed in some detail, the former being described as "a pre-meditated aggressive step in furthering the plan to wage aggressive wars against other countries."

After the accomplishment of these seizures in March 1939, the Tribunal said the "time had . . . come for the German leaders to consider further acts of aggression", that is, the aggression against Poland. The Tribunal set forth in detail the diplomatic history preceding the attack on Poland and concluded that it was "fully satisfied by the evidence that the war initiated by Germany against Poland on the 1st of September 1939 was most plainly an aggressive war, which was to develop in due course into a war which embraced almost the whole world, and resulted in the commission of countless crimes, both against the laws and customs of war, and against humanity."

Similarly, the Tribunal found that the invasions of Denmark and Norway were acts of aggressive war, saying that "in the light of all the available evidence" it was unable to accept the contention that they were defensive. Regarding the argument that, in accordance with the reservations made by many of the signatory powers on the conclusion of the Kellogg-Briand pact, Germany alone could decide whether preventive action was necessary (to forestall the Allies in Norway) and that her judgment was conclusive, the Tribunal said:

"But whether action taken under the claim of self-defense was in fact aggressive or defensive

must ultimately be subject to investigation and adjudication if international law is ever to be enforced."

The invasion of Belgium, Holland, and Luxembourg were also found "entirely without justification" and "plainly an act of aggressive war."

In regard to the invasion of Greece and Yugoslavia, the Tribunal said that it was clear "that aggressive war against Greece and Yugoslavia had long been in contemplation, certainly as early as August of 1939."

In discussing the war against the U.S.S.R. the Tribunal referred to the non-aggression pact between Germany and that country of August 23, 1939, stating that the evidence showed "unmistakably that the Soviet Union on their part conformed to the terms of this pact". It pointed out that Germany on June 22, 1941, without any declaration of war, invaded Soviet territory in accordance with plans long made. It said:

"The plans for the economic exploitation of the USSR, for the removal of masses of the population, for the murder of Commissars and political leaders, were all part of the carefully prepared scheme launched on the 22nd June without warning of any kind, and without the shadow of legal excuse. It was plain aggression."

Finally, the Tribunal referred to the attack on Pearl Harbor, stating that Japan "thus made aggressive war against the United States" which was followed by Germany's entering that war on the side of Japan by a declaration of war on the United States.

The Tribunal next stated that it had decided that certain of the defendants had planned and waged aggressive wars and were therefore guilty of this series of crimes, so that it was unnecessary to consider at any length the extent to which these aggressive wars were also "wars in violation of international treaties, agreements or assurances" within the meaning of the Charter. The principal treaties which Germany had violated were noted, namely: the Hague conventions of 1899 and 1907 for the pacific settlement of international disputes, the Hague convention of 1907 relative to the opening of hostilities, the Versailles Treaty, the Locarno treaties of mutual guaranty and arbitration, certain other conventions of arbitration and conciliation and non-aggression treaties to which Germany was a party, and the Kellogg-Briand pact (the Pact of Paris).

The Tribunal pointed out that the law of the Charter defining its jurisdiction and the crimes coming within that jurisdiction was decisive and binding on the Tribunal. It said:

"The making of the Charter was the exercise of the sovereign legislative power by the countries to which the German Reich unconditionally surrendered; and the undoubted right of these countries to legislate for the occupied territories has been recognized by the civilized world. The Charter is not an arbitrary exercise of power on the part of the victorious nations, but in the view of the Tribunal, as will be shown, it is the expression of international law existing at the time of its creation; and to that extent is itself a contribution to international law."

In creating the Tribunal, defining the law it was to administer, and making regulations for the proper conduct of the trial, the signatory powers had, the Tribunal stated, done together what any one of them might have done singly. With regard to the court's constitution, it added "all that the defendants are entitled to ask is to receive a fair trial on the facts and law".

Since the Charter made planning or waging a war of aggression or a war a violation of international treaties a crime, it was not strictly necessary, the Tribunal said, to consider whether and to what extent aggressive war was a crime before the execution of the agreement of August 8, 1945 establishing the Tribunal. However, in view of the importance of the questions involved, the Tribunal, having heard full argument from the Prosecution and the Defense, expressed its views on the matter.

In regard to the argument made in behalf of the defendants that it is a fundamental principle of law that there can be no punishment of crime without a preexisting law, the Tribunal observed "that the maxim *nullum crimen sine lege* is not a limitation of sovereignty, but is in general a principle of justice." It continued:

"To assert that it is unjust to punish those who in defiance of treaties and assurances have attacked neighboring states without warning is obviously untrue, for in such circumstances the attacker must know that he is doing wrong, and so far from it being unjust to punish him, it would be unjust if his wrong were allowed to go unpunished."

In the Kellogg-Briand pact (signed August 27, 1928) the signing and adhering states renounced war as an instrument of national policy. Such a solemn renunciation in its opinion, the Tribunal said, "necessarily involves the proposition that such a war [in violation of the pact] is illegal in international law; and that those who plan and wage such a war, with its inevitable and terrible consequences, are committing a crime in so doing", and it went on to quote the words of Henry L. Stimson, the Secretary of State, in 1932, that as a result of the Kellogg-Briand pact war "has become throughout practically the entire world . . . an illegal thing."

As to the argument that the pact did not expressly enact that wars were crimes, or set up courts to try those who make such wars, the Tribunal pointed out that the same is true with regard to the laws of war contained in the Hague convention of 1907 respecting the laws and customs of war on land which contained prohibitions many of which had been enforced long before the date of the convention. Moreover, the Tribunal continued, though the convention nowhere designates the prohibited acts criminal, nor prescribes sentences, nor mentions any court to try and punish offenders, for many years past military tribunals had tried and punished individuals guilty of violating the rules of land warfare laid down by the convention. The Tribunal expressed the opinion that "those who wage aggressive war are doing that which is equally illegal, and of much greater moment than a mere breach of one of the rules of the Hague Convention", adding:

"In interpreting the words of the Pact, it must be remembered that international law is not the product of an international legislature, and that such international agreements as the Pact of Paris have to deal with general principles of law, and not with administrative matters of procedure. The law of war is to be found not only in treaties, but in the customs and practices of states which gradually obtained universal recognition, and from the general principles of justice applied by jurists and practised by military courts. This law is not static, but by continual adaptation follows the needs of a changing world."

The international history preceding the Kellogg-Briand pact supported the Tribunal's view of its true interpretation, the Tribunal continued,

referring to the draft treaty of mutual assistance sponsored by the League of Nations in 1923, the preamble to the protocol for the pacific settlement of international disputes of 1924 (the Geneva protocol), the declaration of the Assembly of the League of Nations of 1927 regarding wars of aggression, and the resolution of the Sixth Pan American Conference of 1928, all of which referred to aggressive war as "an international crime". The Tribunal said:

"All these expressions of opinion, and others that could be cited, so solemnly made, reinforce the construction which the Tribunal placed upon the Pact of Paris, that resort to a war of aggression is not merely illegal, but is criminal. The prohibition of aggressive war demanded by the conscience of the world, finds its expression in the series of Pacts and Treaties to which the Tribunal has just referred."

And it added that it is important to remember that the Treaty of Versailles provided for a Tribunal to try the former German Emperor "for a supreme offence against international morality and the sanctity of treaties", the purpose of the trial having been expressed to be "to vindicate the solemn obligations of international undertakings, and the validity of international morality".

The Tribunal rejected the argument that international law is concerned with the actions of sovereign states and provides no punishment for individuals and also the argument that, where the act in question is an act of state, those who carry it out are not personally responsible. It has long been recognized, the Tribunal said, "that international law imposes duties and liabilities upon individuals as well as upon states." Reference was made to the opinion of the Supreme Court of the United States in the case of *Ex parte Quirin* (the so-called "saboteurs case") in 1942 (317 U. S. 1) in which Chief Justice Stone said that that Court had always "applied the law of war as including that part of the law of nations which prescribes for the conduct of war, the status, rights and duties of enemy nations as well as enemy individuals." The Tribunal said further:

"Crimes against international law are committed by men, not by abstract entities, and only by punishing individuals who commit such crimes can the provisions of international law be enforced."

The principle that protects the representatives of a state under certain circumstances "cannot be applied", the Tribunal said, "to acts which are condemned as criminal by international law". It pointed out that article 7 of the Charter expressly provides: "The official position of defendants . . . shall not be considered as freeing them from responsibility, or mitigating punishment."

As to the argument of most of the defendants that they acted under the order of Hitler, the Tribunal also referred to the specific provision in article 8 of the Charter that: "The fact that the defendant acted pursuant to order of his Government or of a superior shall not free him from responsibility, but may be considered in mitigation of punishment." This article, the Tribunal said, is in conformity with the law of all nations, and added: "The true test, which is found in varying degrees in the criminal law of most nations, is not the existence of the order, but whether moral choice was in fact possible."

The Common Plan or Conspiracy

The Tribunal next proceeded to consider "the Law as to the Common Plan or Conspiracy" (charged in Count One of the Indictment) to commit aggressive war, war crimes, and crimes against humanity.

The Tribunal briefly summarized that Count, as it related to the planning and waging of aggressive war, as follows: "The 'common plan or conspiracy' charged in the Indictment covers twenty-five years, from the formation of the Nazi Party in 1919 to the end of the war in 1945. The party is spoken of as 'the instrument of cohesion among the defendants' for carrying out the purposes of the conspiracy—the overthrowing of the Treaty of Versailles, acquiring territory lost by Germany in the last war and *lebensraum* in Europe, by the use, if necessary, of armed force, of aggressive war. The 'seizure of power' by the Nazis, the use of terror, the destruction of trade unions, the attack on Christian teaching and on churches, the persecution of the Jews, the regimentation of youth—all these are said to be steps deliberately taken to carry out the common plan. It found expression, so it is alleged, in secret rearmament, the withdrawal by Germany from the Disarmament Conference and the League of Nations, universal military service, and seizure of the Rhineland. Finally, according to the Indictment, aggressive action was planned and carried out against Austria and Czechoslo-

vakia in 1936-1938, followed by the planning and waging of war against Poland; and, successively, against ten other countries.

"The prosecution says, in effect, that any significant participation in the affairs of the Nazi Party or government is evidence of a participation in a conspiracy that is in itself criminal."

"Conspiracy", the Tribunal pointed out, was not defined in the Charter. It expressed the opinion that "the conspiracy must be clearly outlined in its criminal purpose" and "not be too far removed from the time of decision and of action". The planning, to be criminal, it said, "must not rest merely on the declarations of a party program . . . or the political affirmations expressed in *Mein Kampf*." It had to examine, it said, "whether a concrete plan to wage war existed, and determine the participants in that concrete plan". In effect, the Tribunal thus narrowed the Prosecution's concept of conspiracy set forth in Count One of the Indictment.

It stated:

"It is not necessary to decide whether a single master conspiracy between the defendants has been established by the evidence. The seizure of power by the Nazi Party, and the subsequent domination by the Nazi State of all spheres of economic and social life must of course be remembered when the later plans for waging war are examined. That plans were made to wage wars, as early as November 5th 1937, and probably before that, is apparent. And thereafter, such preparations continued in many directions, and against the peace of many countries. Indeed the threat of war—and war itself if necessary—was an integral part of the Nazi policy. But the evidence establishes with certainty the existence of many separate plans rather than a single conspiracy embracing them all. That Germany was rapidly moving to complete dictatorship from the moment that the Nazis seized power, and progressively in the direction of war, has been overwhelmingly shown in the ordered sequence of aggressive acts and wars already set out in this Judgment."

It found that the evidence established "the common planning to prepare and wage war by certain of the defendants", adding that it was immaterial to consider whether a single conspiracy to the extent and over the time set out in the Indictment had been conclusively proved. It found further that "continued planning, with aggressive

war as the objective" had been established beyond doubt.

The Tribunal rejected as unsound the argument that such common planning could not exist under a complete dictatorship, saying that a "plan in the execution of which a number of persons participate is still a plan, even though conceived by only one of them; and those who execute the plan do not avoid responsibility by showing that they acted under the direction of the man who conceived it." Hitler, it was said, could not make aggressive war by himself. "He had to have the cooperation of statesmen, military leaders, diplomats, and business men. When they, with knowledge of his aims, gave him their cooperation, they made themselves parties to the plan he had initiated. They are not to be deemed innocent because Hitler made use of them, if they knew what they were doing The relation of leader and follower does not preclude responsibility here any more than it does in the comparable tyranny of organized domestic crime."

The Tribunal stated that the Charter (in article 6) did "not define as a separate crime any conspiracy except the one to commit acts of aggressive war." It referred to that paragraph of article 6 providing: "Leaders, organizers, instigators and accomplices participating in the formulation or execution of a common plan or conspiracy to commit any of the foregoing crimes are responsible for all acts performed by any person in execution of such plan." This, the Tribunal said, did not add a new and separate crime to those already listed, but rather established the responsibility of persons participating in a common plan.

Accordingly, it concluded that it would "disregard the charges in Count One [of the Indictment] that the defendants conspired to commit war crimes and crimes against humanity" and "consider only the common plan to prepare, initiate and wage aggressive war."

War Crimes and Crimes Against Humanity

The Tribunal then turned to the consideration of war crimes and crimes against humanity. War crimes and crimes against humanity were thus defined in paragraphs (b) and (c) of article 6 of the Charter:

"(b) War crimes: Namely, violations of the laws or customs of war. Such violations shall include, but not be limited to, murder, ill-treatment or deportation to slave labor or for any other

purpose of civilian population of or in occupied territory, murder or ill-treatment of prisoners of war or persons on the seas, killing of hostages, plunder of public or private property, wanton destruction of cities, towns or villages, or devastation not justified by military necessity;

“(c) Crimes against humanity: Namely, murder, extermination, enslavement, deportation, and other inhumane acts committed against any civilian population, before or during the war, or persecutions on political, racial or religious grounds in execution of or in connection with any crime within the jurisdiction of the Tribunal, whether or not in violation of the domestic law of the country where perpetrated.”

Count Three of the Indictment related to war crimes; Count Four to crimes against humanity.

It was impossible, the Tribunal said, for its judgment adequately to review the overwhelming evidence presented regarding war crimes, adding: “The truth remains that War Crimes were committed on a vast scale, never before seen in the history of War.” The majority arose, it said, out of the Nazi conception of “total war” in which “the moral ideas underlying the Conventions which seek to make war more humane are no longer regarded as having force or validity.” Some war crimes, the Tribunal found, “were deliberately planned long in advance”, such as the plunder of the territories of the Soviet Union and the ill treatment of its civilian population, and also the exploitation of the inhabitants of the occupied countries for slave labor. Other war crimes, such as the murder of recaptured prisoners of war, of Commandos or captured airmen, or the destruction of the Soviet Commissars, were found to be “the result of direct orders circulated through the highest official channels”.

As a prelude to its discussion, the Tribunal by way of summary said:

“The Tribunal proposes, therefore, to deal quite generally with the question of War Crimes, and to refer to them later when examining the responsibility of the individual defendants in relation to them. Prisoners of war were ill-treated and tortured and murdered, not only in defiance of the well-established rules of international law, but in complete disregard of the elementary dictates of humanity. Civilian populations in occupied territories suffered the same fate. Whole populations were deported to Germany for the purposes

of slave labor upon defence works, armament production and similar tasks connected with the war effort. Hostages were taken in very large numbers from the civilian populations in all the occupied countries, and were shot as suited the German purposes. Public and private property was systematically plundered and pillaged in order to enlarge the resources of Germany at the expense of the rest of Europe. Cities and towns and villages were wantonly destroyed without military justification or necessity.”

It will be noted that in this recital of war crimes, the Tribunal omitted any reference to one of those listed in article 6 (b) of the Charter, namely “murder or ill-treatment of . . . persons on the seas”, which was also charged in Count Three of the Indictment. In the judgment regarding Doenitz, one of the two naval officers indicted, the Tribunal stated specifically that though he was found guilty on Count Three of the Indictment (relating to war crimes) his sentence was “not assessed on the ground of his breaches of the international law of submarine warfare” in view of “all of the facts proved and in particular of an order of the British Admiralty announced on 8 May 1940 according to which all vessels should be sunk at night [*sic*] in the Skagerrak, and the answers to interrogatories by Admiral Nimitz stating that unrestricted submarine warfare was carried on in the Pacific Ocean by the United States from the first day that nation entered the war.”

In the judgment regarding Raeder, the only other naval officer indicted, the Tribunal stated that in respect to the charge that he carried on unrestricted submarine warfare it made the same finding as it had concerning Doenitz.

In its general review of the evidence regarding war crimes the Tribunal discussed the “Murder and Ill-treatment of Prisoners of War”, “Murder and Ill-treatment of Civilian Population”, and “Slave Labor Policy”.

The persecution of the Jews, which was said to have been proved before it in the greatest detail, was treated in a special section. After briefly reviewing the pre-war treatment of the Jews, the Tribunal said “The Nazi persecution of Jews in Germany before the war, severe and repressive as it was, cannot compare, however, with the policy pursued during the war in the occupied territories.” This policy it then reviewed in more detail.

The next section of the Tribunal's judgment is devoted to "the law relating to War Crimes and Crimes against Humanity." The Tribunal stated that it was of course bound by the Charter in its definition of both categories of crime, but pointed out that the war crimes defined in the Charter "were already recognized as war crimes under international law" and were covered by articles 46, 50, 52, and 56 of the regulations annexed to the Hague convention of 1907 respecting the laws and customs of war on land, and articles 2, 3, 4, 46, and 51 of the Geneva prisoners of war convention of 1929. The Tribunal found that it was not necessary to decide the question of whether or not, in view of the provision in article 2 of the Hague convention that the regulations annexed to the convention should only apply if all the belligerents were parties thereto, the Hague convention applied in the case before it, several of the belligerents in the recent war not having been such parties. In support of its view the Tribunal pointed out that the 1907 convention expressly purported "to revise" the general laws and customs of war "which it thus recognized to be then existing". It said further that the rules of land warfare, laid down in the Hague convention, by 1939 "were recognized by all civilized nations, and were regarded as being declaratory of the laws and customs of war which are referred to in Article 6 (b) of the Charter."

The Tribunal rejected the argument by the defense that Germany, having completely subjugated many of the countries occupied during the war and incorporated them into the German Reich, was no longer bound by the rules of land warfare but entitled to deal with the occupied countries as though they were part of Germany. It was unnecessary, the Tribunal said, to decide whether the doctrine of subjugation "dependent as it is upon military conquest, has any application where the subjugation is the result of the crime of aggressive war." The doctrine was never considered applicable, it pointed out, "so long as there was an army in the field attempting to restore the occupied countries to their true owners", and accordingly could not apply to any territories occupied after September 1, 1939. As to the war crimes committed in Bohemia and Moravia, the Tribunal said, it was "a sufficient answer that these territories were never added to the Reich, but a mere protectorate was established over them." Their occu-

pation, it said later, was "a military occupation covered by the rule of warfare."

As to crimes against humanity which were charged in the Indictment as having been committed before as well as during the war, there was no doubt whatever, according to the Tribunal, that a policy of persecution, repression, and murder, in Germany, of civilians potentially hostile to the Government, was most ruthlessly carried out before the war of 1939. "The persecution of Jews during the same period," it said, "is established beyond all doubt." However, the Tribunal continued, "to constitute crimes against humanity, the acts relied on before the outbreak of war must have been in execution of, or in connection with, any crime within the jurisdiction of the Tribunal." The Tribunal found that "revolting and horrible as many of these crimes were, it has not been satisfactorily proved that they were done in execution of, or in connection with, any such crime." It therefore concluded that it could not "make a general declaration that the acts before 1939 [charged in the Indictment] were crimes against humanity within the meaning of the Charter, but from the beginning of the war in 1939 war crimes were committed on a vast scale, which were also crimes against humanity; and insofar as the inhumane acts charged in the Indictment, and committed after the beginning of the war, did not constitute war crimes, they were all committed in execution of, or in connection with, the aggressive war, and therefore constituted crimes against humanity."

In a later portion of its judgment regarding the defendant Von Schirach, who after July 1940 was made Gauleiter of Vienna, the Tribunal held that "murder, extermination, enslavement, deportation and other inhumane acts" and "persecutions on political, racial or religious grounds" in connection with the occupation of Austria constituted crimes against humanity under article 6 (c) of the Charter. This followed, the Tribunal said, from the fact that, since Austria was occupied pursuant to a common plan of aggression, its occupation was a crime within the Tribunal's jurisdiction as that term was used in article 6 (c).

Declaration of Criminality Against Groups or Organizations

For an understanding of the Tribunal's findings as to the groups or organizations against which the Prosecution sought a declaration of

criminality, one must turn first to the Tribunal's charter which provides:

"*Article 9.* At the trial of any individual member of any group or organization the Tribunal may declare (in connection with any act of which the individual may be convicted) that the group or organization of which the individual was a member was a criminal organization.

"After receipt of the indictment the Tribunal shall give such notice as it thinks fit that the prosecution intends to ask the Tribunal to make such declaration and any member of the organization will be entitled to apply to the Tribunal for leave to be heard by the Tribunal upon the question of the criminal character of the organization. The Tribunal shall have power to allow or reject the application. If the application is allowed, the Tribunal may direct in what manner the applicants shall be represented and heard.

"*Article 10.* In cases where a group or organization is declared criminal by the Tribunal, the competent national authority of any signatory shall have the right to bring individuals to trial for membership therein before national, military or occupation courts. In any such case the criminal nature of the group or organization is considered proved and shall not be questioned."

The prosecution sought a declaration of criminality against seven groups or organizations, the Reich Cabinet, the Leadership Corps of the Nazi Party, the SS, the SD, the Gestapo, the SA and the General Staff and High Command of the German Armed Forces. Each of the groups or organizations was charged with responsibility for crimes under all four counts of the Indictment.

In its introductory remarks regarding the accused organizations, the Tribunal pointed out that it was vested with discretion as to whether it would declare any organization criminal, a discretion, it said, which "should be exercised in accordance with well settled legal principles, one of the most important of which is that criminal guilt is personal, and that mass punishments should be avoided." If satisfied of the criminal guilt of any organization or group, the Tribunal continued, it "should not hesitate to declare it to be criminal because the theory of 'group criminality' is new, or because it might be unjustly applied by some subsequent tribunals." And it said further: "A criminal organization is analogous to a criminal conspiracy in that the essence of both is cooperation for criminal purposes. There must be a

group bound together and organized for a common purpose. The group must be formed or used in connection with the commission of crimes denounced by the Charter. Since the declaration with respect to the organizations and groups will, as has been pointed out, fix the criminality of its members, that definition should exclude persons who had no knowledge of the criminal purposes or acts of the organization and those who were drafted by the State for membership, unless they were personally implicated in the commission of acts declared criminal by Article 6 of the Charter as members of the organization. Membership alone is not enough to come within the scope of these declarations."

The first group or organization which the Tribunal considered was the Leadership Corps of the Nazi Party. This group was defined in the indictment as consisting of persons "who were at any time, according to common Nazi terminology, *Politischer Leiter* (political leaders) of any grade or rank," that is, "the leaders of the various functional offices of the Party (for example, the Reichsleitung, or Party Reich Directorate, and the Gauleitung, or Party Gau Directorate), as well as the territorial leaders of the Party (for example, the Gauleiter)." However on February 28, 1946, the Prosecution excluded from the declaration sought all members of the staffs of the Ortsgruppenleiter and all assistants of the Zellenleiter and Blockleiter. There remained, however, included within the declaration sought, as the Tribunal pointed out: "the Fuehrer, the Reichsleitung, the Gauleiters and their staff officers, the Kreisleiters and their staff officers, the Ortsgruppenleiters, the Zellenleiters, and the Blockleiters, a group estimated to contain at least 600,000 people."

After reviewing the activities of the Leadership Corps, the Tribunal concluded that it "was used for purposes which were criminal under the Charter and involved the Germanization of incorporated territory, the persecution of the Jews, the administration of the slave labor program, and the mistreatment of prisoners of war." It accordingly declared criminal the group composed of those members of the Leadership Corps who held positions as members of the Reichsleitung, persons who held positions as Gauleiter, Kreisleiter, and Ortsgruppenleiter, as well as the heads of the various staff organizations of the Gauleiter and Kreisleiter. Its decisions on these staff organizations, it said, included only the Amtsleiter who were

heads of offices on the staffs of the Reichsleiter, Gauleiter, and Kreisleiter.

"With respect to other staff officers and party organizations attached to the Leadership Corps other than the Amtsleiter referred to above," the Tribunal said it would "follow the suggestion of the Prosecution in excluding them from the declaration". This declaration of criminality was limited to those "who became or remained members of the organization with knowledge that it was being used for the commission of acts declared criminal by Article 6 of the Charter, or who were personally implicated as members of the organization in the commission of such crimes." The Tribunal further limited the scope of its declaration by stating: "The basis of this finding is the participation of the organization in war crimes and crimes against humanity connected with the war; the group declared criminal cannot include, therefore, persons who had ceased to hold the positions enumerated in the preceding paragraph prior to September 1, 1939."

The Tribunal next considered the Gestapo and SD. The SD [Sicherheitsdienst], a department of the SS [Schutzstaffeln], was covered in the Indictment in the section dealing with the latter organization. However, orally, the Prosecution presented the cases against the Gestapo and SD together because of the close working relationship between them. The Tribunal permitted the SD to present its defense separately, but, after examining the evidence, decided to consider the Gestapo and SD together in its judgment.

In the Indictment the Gestapo was defined as consisting of "the headquarters, departments, offices, branches and all the forces and personnel of the Geheime Staatspolizei organized or existing at any time after 30 January 1933, including the Geheime Staatspolizei of Prussia and equivalent secret or political police forces of the Reich and the components thereof." The Tribunal found that the Gestapo and SD "were used for purposes which were criminal under the Charter involving the persecution and extermination of the Jews, brutalities and killings in concentration camps, excesses in the administration of occupied territories, the administration of the slave labor program and the mistreatment and murder of prisoners of war." In its declaration of criminality regarding the Gestapo, the Tribunal included "all executive and administrative officials of Amt IV of the RSHA [Reichssicherheitshauptamt; or

Reich Security Head Office] or concerned with Gestapo administration in other departments of the RSHA and all local Gestapo officials serving both inside and outside of Germany, including the members of the Frontier Police, but not including the members of the Border and Customs Protection or the Secret Field police, except such members as have been specified above." At the suggestion of the Prosecution, it excluded "persons employed by the Gestapo for purely clerical, stenographic, janitorial or similar unofficial routine tasks." In the case of the SD it included those persons who held positions in "Amts III, VI, and VII of the RSHA and all other members of the SD, including all local representatives and agents, honorary or otherwise, whether they were technically members of the SS or not."

It excluded honorary informers who were not members of the SS, and members of the Abwehr who were transferred to the SD, as the Prosecution had done. But, as in the case of the Leadership Corps, this finding in respect to the Gestapo and SD was limited to the persons enumerated "who became or remained members of the organization with knowledge that it was being used for the commission of acts declared criminal by article 6 of the Charter, or who were personally implicated as members of the organization in the commission of such crimes."

And, as it did in the case of the Leadership Corps, the Tribunal added that since the basis of its findings was participation of the organization in war crimes and crimes against humanity connected with the war, the group declared criminal could not include persons who had ceased to hold the enumerated positions prior to September 1, 1939.

The third organization discussed by the Tribunal was the SS. This was defined in the indictment as consisting "of the entire corps of the SS and all offices, departments, services, agencies, branches, formations, organizations and groups of which it was at any time comprised or which were at any time integrated in it, including but not limited to, the Allgemeine SS, the Waffen SS, the SS Totenkopf Verbände, SS Polizei Regimente and the Sicherheitsdienst des Reichsführers—SS (commonly known as the SD)." (The SD was treated separately by the Tribunal with the Gestapo, as indicated above.)

After reviewing the activities of the SS, the Tribunal said: "It is impossible to single out any

one portion of the SS which was not involved in these criminal activities." It found further that knowledge of these activities "was sufficiently general to justify declaring that the SS was a criminal organization to the extent hereinafter described," and that though there was an attempt to keep secret some phases of its activities "its criminal programs were so widespread, and involved slaughter on such a gigantic scale, that its criminal activities must have been widely known."

As in the case of the Leadership Corps, the Gestapo and SD, the Tribunal found that the SS "was utilized for purposes which were criminal under the Charter involving the persecution and extermination of the Jews, brutalities and killings in concentration camps, excesses in the administration of occupied territories, the administration of the slave labor program and the mistreatment and murder of prisoners of war."

The Tribunal in its declaration of criminality included "all persons who had been officially accepted as members of the SS including the members of the Allgemeine SS, members of the Waffen SS, members of the SS Totenkopf Verbaende and the members of any of the different police forces who were members of the SS." It did not include the so-called "SS riding units". It excluded further "those who were drafted into membership by the State in such a way as to give them no choice in the matter, and who had committed no such crimes [acts declared criminal by article 6 of the Charter]".

As in the case of the organizations previously discussed, the Tribunal limited its findings to those "who had been officially accepted as members of the SS as enumerated in the preceding paragraph who became or remained members" with knowledge that it was being used for the commission of criminal acts or who were personally implicated in the commission of such acts. And it made the same limitation that since the basis of its finding was the participation of the organization in war crimes and crimes against humanity connected with the war, the group declared criminal could not include persons who ceased to belong to the enumerated organizations prior to September 1, 1939.

The Tribunal next considered the SA [Die Sturmabteilungen, or Storm Troopers of the Nazi Party], described in the Indictment as "a formation of the Nazi Party under the immediate jurisdiction of the Führer, organized on military lines,

whose membership was composed of volunteers serving as political soldiers of the Party."

The Tribunal declined to declare the SA a criminal organization, stating that it had not been shown that atrocities in which it participated up until the purge beginning on June 30, 1934 were part of a specific plan to wage aggressive war. After the purge, the Tribunal said, the SA was reduced to the status of a group of unimportant Nazi hangers-on, and "although in specific instances some units of the SA were used for the commission of War Crimes and Crimes against Humanity, it cannot be said that its members generally participated in or even knew of the criminal acts."

The next organization which the Tribunal refused to declare criminal (the Soviet member dissenting) was the Reich Cabinet which was defined in the indictment to include the members of the ordinary cabinet after January 30, 1933, the members of the Council of Ministers for the Defense of the Reich (established in August 1939), and the members of the Secret Cabinet Council (set up in 1937).

The Tribunal gave two reasons for its refusal: first, because it had not been shown that after 1937 the Cabinet ever really acted as a group or organization and secondly, because the group of persons charged was so small that the members could be conveniently tried in proper cases without resort to a declaration of group criminality by the Tribunal.

As to the first reason, the Tribunal observed that from the time it could be said "that a conspiracy to make aggressive war existed", the Reich Cabinet did not constitute a governing body, but was "merely an aggregation of administrative officers subject to the absolute control of Hitler." It stated that no meeting of the Reich Cabinet was held after 1937, but laws were promulgated in the name of one or more of the Cabinet members. It pointed out also that the Secret Cabinet Council never met at all. A number of Cabinet members were undoubtedly involved in the conspiracy to make aggressive war, the Tribunal said, but they were involved as individuals, and "there is no evidence that the cabinet as a group or organization took any part in these crimes." The Tribunal added that though it appeared that various laws authorizing acts which were criminal under the Charter were circulated among the members of the Reich Cabinet and issued under its author-

ity signed by members whose departments were concerned, this did not prove that the Cabinet after 1937 ever really acted as an organization.

As to its second reason, the Tribunal stated that it was clear the Cabinet members who had been guilty of crimes should be brought to trial. It estimated that there were 48 members in the group, 8 of whom were dead, and 17 of whom were on trial before the Tribunal (as individual defendants), leaving 23 at most as to whom the declaration could have an importance. The Tribunal pointed out that where an organization with a large membership was used for criminal purposes "a declaration obviates the necessity of inquiring as to its criminal character in the later trial of members who are accused of participating through membership in its criminal purposes and thus saves much time and trouble." There was, it said, no such advantage in the case of a small group like the Reich Cabinet.

The final group or organization considered by the Tribunal was the General Staff and High Command of the German Armed Forces. The indictment defined this group as consisting "of those individuals who between February 1938 and May 1945 were the highest commanders of the Wehrmacht, the Army, the Navy, and the Air Forces," that is, individuals who held any of ten enumerated appointments.

In declining to make a declaration of criminality (the Soviet member dissenting), the Tribunal said that the "number of persons charged [about 130] while larger than that of the Reich Cabinet, is still so small that individual trials of these officers would accomplish the purpose here sought better than a declaration." It added that a more compelling reason was that in its opinion the General Staff and High Command was neither an "organization" nor a "group" within the meaning of those terms as used in article 9 of the Charter. No serious effort had been made, the Tribunal said, to assert that the members composed an "organization," it having been asserted rather that they were a "group," a wider and more embracing term. It did not so find, it stated, saying that the existence of an association or group did not logically follow from the pattern of the activities of the officers involved.

The Tribunal found that these officers were actually "an aggregation of military men, a number of individuals who happen at a given period of time to hold the high-ranking military posi-

tions". It expressed the opinion that whether or not membership was voluntary was quite beside the point, saying that the General Staff and High Command, as defined, had a controlling characteristic which distinguished it sharply from the other organizations indicted. This was that in the case of the General Staff and High Command, the individual "could not know he was joining a group or organization, for such organization did not exist except in the charge of the Indictment." The individual could only know, the Tribunal said, that he had achieved a certain high rank in one of the three services.

In conclusion the Tribunal stated however that it had heard much evidence as to the participation of the officers involved in planning and waging aggressive war, and in committing war crimes and crimes against humanity. The evidence was, it said, "as to many of them, clear and convincing". It continued:

"They have been responsible in large measure for the miseries and suffering that have fallen on millions of men, women and children. They have been a disgrace to the honorable profession of arms. Without their military guidance the aggressive ambitions of Hitler and his fellow Nazis would have been academic and sterile. Although they were not a group falling within the words of the Charter, they were certainly a ruthless military caste. The contemporary German militarism flourished briefly with its recent ally, National Socialism, as well as or better than it had in the generations of the past.

"Many of these men have made a mockery of the soldier's oath of obedience to military orders. When it suits their defense they say they had to obey; when confronted with Hitler's brutal crimes, which are shown to have been within their general knowledge, they say they disobeyed. The truth is they actively participated in all these crimes, or sat silent and acquiescent, witnessing the commission of crimes on a scale larger and more shocking than the world has ever had the misfortune to know. This must be said.

"Where the facts warrant it, these men should be brought to trial so that those among them who are guilty of these crimes should not escape punishment."

The concluding portion of the judgment dealt with the Tribunal's findings of guilt or innocence in respect to the charges made in the Indictment against the individual defendants.

THE UNITED NATIONS

Report on First General Conference of UNESCO

BY ASSISTANT SECRETARY BENTON¹

I am taking the liberty this evening of breaking in on your preparations for Christmas with a report on an international conference. I returned to Washington this morning from Paris, where the conference was held. The theme of the conference is appropriate to this season—peace on earth and to men good-will.

The meeting I have been attending was the first general conference of the United Nations Educational, Scientific and Cultural Organization—UNESCO for short. UNESCO's goal is to help build peace on earth through building the kind of good-will among men that springs from a true and steady understanding of each other.

UNESCO is a unique institution. There has never been anything like it in history. The conference itself was unique—at least among recent international gatherings—in the absence of fundamental disagreements between countries.

I am happy to report that the American Delegation

which accompanied me feels that this first conference of UNESCO was a success—that a sound start has been made at Paris. It was one of the most successful international conferences since the end of the war.

It was not a highbrow conference, although some of the world's best scientists, scholars, and educators were there, representing 43 nations.

It was a hard-headed and down-to-earth conference. Proposals had come in to the Preparatory Commission by the bagful during the past year. They ranged all the way from the creation of a bird sanctuary on Heligoland to an effort to eliminate illiteracy throughout the world. The Paris conference took a realistic view of UNESCO's job—a view stressed by the American Delegation: UNESCO's projects should be few in number at the start. They should not overtax the financial ability of the smaller countries during this critical year of financial strain. They should be practicable. They should meet squarely the test question: will this project contribute to peace?

It was also a political conference. That fact is of great importance to the American people. Power in today's world is not merely economic

¹ An address delivered over the Columbia Broadcasting System on Dec. 23, 1946 and released to the press on the same date. Mr. Benton was Chairman of the U.S. Delegation to the first general conference of UNESCO.

power and military might. It also lies in the field of ideas. As older empires lose economic and military power, and as new ones emerge, they are eager to gain strength on this new frontier—the frontier of the mind—where peace and security can be waged, as well as mistrust and war.

We learned in Paris the great importance that the statesmen and politicians of other countries attach to the proposed educational, scientific, and cultural activities of UNESCO. The problem within the United States is to see to it that we understand how vital it is to us as well. Potentially, UNESCO is a political force of the first magnitude. It can achieve little unless the political, economic, and military problems which now becloud the world's future are resolved. But, in a world environment which opens the doors to scientific, educational, and cultural exchanges between peoples, UNESCO can contribute mightily to the creation of a world will toward peace. It can be a major force in the security program of the United States, and in the furtherance of the broad objectives of American foreign policy—peace and prosperity among all peoples of the world.

I have said that no fundamental disagreements about policy or program bedevilled the conference. The closest approach was an issue raised by the representative of Yugoslavia, Mr. Ribnikar. In a thoughtful speech at the opening of the conference Mr. Ribnikar inquired whether UNESCO proposed to develop a philosophy of its own which would be dominated by western thought and would exclude or even combat the philosophy of dialectical materialism, which is the philosophy of the Soviet Union. He was assured that UNESCO is committed to no single philosophy; that it will be a free forum of ideas; that its prime purpose is to advance understanding, among all peoples, of each other's ideas and cultures.

Mr. Ribnikar also called upon UNESCO to, and I quote, "take active measures to suppress any attempt to provoke suspicion and hatred between the peoples". On this point it was less possible to reassure him, since UNESCO has neither a policy nor a power of suppression.

I cite Mr. Ribnikar's speech because it may have a bearing upon the decision of the Soviet Union to join UNESCO. Russia was the only major

power absent from the conference. While there is great and useful work for UNESCO to do through its present roster of members, it cannot realize its full potentialities unless and until the Soviet Union constructively joins in the work.

Before the Paris meeting we had heard that some of the other nations—particularly some of the smaller nations—feared that the United States would try to dominate the conference. We were told that the small nations feared what they called "American cultural imperialism". It is the Hollywood motion picture which is feared most of all.

The American Delegation arrived in Paris determined to press for maximum use of the mass media of communication—motion pictures, radio, and the press—because they constitute a potent new instrument in the pursuit of peace. We were delighted to find other nations taking the lead on proposals which we had been prepared to advance.

In the conference subcommission on mass media, under the chairmanship of a Belgian and the vice-chairmanship of a Dane, the British, the French, the Canadians and others came forward vigorously with proposals that coincided closely with our own ideas.

Even after a rigorous effort to screen proposed projects, over 100 potential projects emerged in the final report of the conference. That was probably too many. I shall list briefly five of the major projects UNESCO has agreed to begin work on during 1947. You will see that they are immense undertakings for a young and untried organization.

First, a world-wide attack on the problem of illiteracy and the establishment of minimum standards of education everywhere. This is a revolutionary undertaking, but it lies at the heart of UNESCO's long-range effort. If UNESCO can contribute substantially to its solution, it will have justified its existence through this effort alone. Well over half the world's population is illiterate. Can the world achieve peace through understanding in the absence of the simplest tools of understanding, the ability to read and write? Illiterate men are pawns in a power struggle. They are also victims of an inequality so grave as to constitute a threat to peace. UNESCO will create a staff of its own, supplemented by experts from many na-

tions, to recommend programs for combatting illiteracy; to develop educational materials; and to determine how best to use books, pictures, films, and radio, as well as the schoolroom.

Second, UNESCO will undertake a study of the psychological and social tensions that lead to war. When the tensions that produce unrest, suspicion, and hatred among classes, races, and peoples have been identified and described we shall know better how to attack UNESCO's central problem of promoting peace through understanding. UNESCO will seek to stimulate and coordinate research on these tensions by social scientists of many nations.

Third, an effort to reduce the barriers that now obstruct the free flow of communications among peoples. In this UNESCO will cooperate with the Commission on Human Rights of the United Nations. We know from bitter experience that even highly literate peoples, when they are cut off from a full, honest, and continuous account of developments among other peoples, can be propagandized and bullied into aggressive belligerency. UNESCO will cooperate with the United Nations in a report that will survey available facilities throughout the world for the printing of news, books, and periodicals; the production and distribution of films; and the broadcasting and reception of radio programs. The report will deal also with copyright restrictions, with the high cost of cable and wireless communication—indeed with all the restrictions on the flow of information and ideas across international boundaries, and with the suppression and distortion of information and ideas by any influence.

Fourth, and again in cooperation with the United Nations, UNESCO will explore the possibility of creating a world-wide broadcasting network, under international auspices. Such a network might bring to ordinary people everywhere, and in many languages, an account of the history, the achievements, the problems, the hopes and the aspirations, the music and the literature of other peoples.

Fifth, and a very different kind of enterprise—this one in the field of science—is the proposed International Institute of the Amazon. This will bring together scientists from many nations and from many fields of science to study the problems of food, disease, and natural resources of a tropical

area. The tropical areas of the world have been characterized by malnutrition and backwardness. An international attack upon this problem will offer an opportunity for cooperative action. It may open up new possibilities for the development of the tropics in such a way as to reduce future international tensions.

I have given five major examples of the scope of UNESCO and of the decisions taken at Paris. There was unanimous and enthusiastic support for the proposed projects for the exchange of students and scholars and scientists, and the exchange of books and educational films. And although UNESCO is not a relief agency, \$400,000 was voted for a short-term project to stimulate public and private organizations to assist in the reconstruction of the educational systems of war-devastated countries.

I shall close on a note of hope and caution. UNESCO can become one of the most useful instruments ever devised by man. But it can fulfil its potentialities only under favorable conditions.

The winning of peace is largely a political and an economic problem. It cannot succeed unless the political and economic agencies of the United Nations succeed. It can help them to succeed. In the long run it can build a firmer foundation of understanding, making future political and economic problems easier to solve.

Do not expect too much of UNESCO too soon. UNESCO has no powers to intervene in the cultural or educational life of any nation and should not have. It must do its work chiefly through other organizations. Its operating budget for 1947—\$6,000,000—though it is as much as many small nations could afford in this difficult period—is a pittance compared to the task and the opportunity.

The great hope for UNESCO is that its leadership will learn how to seize and fire the imagination of ordinary men and women everywhere, without producing ultimate disillusion through promising too much too fast. If you could have joined me in Paris, and seen for yourselves the earnestness and the ability that went into the launching of this United Nations Educational, Scientific and Cultural Organization, I am sure you would share my faith that this is a happier Christmas because of it.

Meeting of the Security Council

RESOLUTION ESTABLISHING COMMISSION OF INVESTIGATION OF GREEK BORDER INCIDENT ¹

WHEREAS, there have been presented to the Security Council oral and written statements by the Greek, Yugoslav, Albanian and Bulgarian Governments relating to disturbed conditions in Northern Greece along the frontier between Greece on the one hand and Albania, Bulgaria and Yugoslavia on the other, which conditions, in the opinion of the Council, should be investigated before the Council attempts to reach any conclusions regarding the issues involved.

Resolved: That the Security Council under Article 34 of the Charter establish a Commission of Investigation to ascertain the facts relating to the alleged border violations along the frontier between Greece on the one hand and Albania, Bulgaria and Yugoslavia on the other.

That the Commission be composed of a Representative of each of the Members of the Security Council as it will be constituted in 1947.

That the Commission shall proceed to the area not later than January 15, 1947, and shall submit to the Security Council at the earliest possible date a report of the facts disclosed by its investigation. The Commission shall, if it deems it advisable or if requested by the Security Council, make preliminary reports to the Security Council.

That the Commission shall have authority to conduct its investigation in Northern Greece and in such places in other parts of Greece, in Albania, Bulgaria, and Yugoslavia as the Commission considers should be included in its investigation in order to elucidate the causes and nature of the above-mentioned border violations and disturbances.

That the Commission shall have the authority to call upon the Governments, officials and nationals of those countries, as well as such other sources as the Commission deems necessary, for information relevant to its investigation.

That the Security Council request the Secretary-General to communicate with the appropriate

authorities of the countries named above in order to facilitate the Commission's investigation in those countries.

That each Representative on the Commission be entitled to select the personnel necessary to assist him and that, in addition, the Security Council requests the Secretary-General to provide such staff and assistance to the Commission as it deems necessary for the prompt and effective fulfillment of its task.

That the Representative of each of the Governments of Greece, Albania, Bulgaria and Yugoslavia be invited to assist in the organization of the Commission in a liaison capacity.

That the Commission be invited to make any proposals that it may deem wise for averting a repetition of border violations and disturbances in these areas.

Meeting of Special Technical Committee on Relief Needs ²

The Special Technical Committee on Relief Needs, established after the termination of UNRRA under a resolution passed by the General Assembly, December 11, 1946 (Doc. A/213), held its first meeting at Lake Success on December 18.

The Committee consists of 10 experts in the field of finance and foreign trade, designated by the Governments of Argentina, Brazil, Canada, China, Denmark, France, Poland, the United Kingdom, the United States and the Union of Soviet Socialist Republics, serving in their individual capacities and not as representatives of the Governments by which they are designated.

¹ Adopted by the Security Council on Dec. 19. For text of the U.S. draft resolution submitted to the Security Council on Dec. 18, see BULLETIN of Dec. 29, 1946, p. 1183.

² Released to the press by the United Nations on Dec. 18, 1946.

The functions of the Committee are:

(a) to study the minimum import requirements of the basic essentials of life, particularly food and supplies for agricultural production of countries which the Committee believes might require assistance in the prevention of suffering or of economic retrogression which threatens the supply of these basic essentials;

(b) to survey the means available to each country concerned to finance such imports;

(c) to report concerning the amount of financial assistance which it believes may be required in the light of (a) and (b) above.

The Committee elected as its chairman Mr. Henrik Kauffman (Denmark), and adopted its rules of procedure and agenda. The Committee also discussed its plan of work and timetable up to January 15, 1947 when it will have to submit a report to the Secretary-General.

It was agreed that the secretariat communicate next Monday to members of the Committee, for study, all available data on relief needs and on the ability to pay of countries requesting assistance.

Colombia Signs Articles of Agreement of International Bank¹

Harold D. Smith, Vice President of the International Bank for Reconstruction and Development, announced on December 26 that Colombia has signed the articles of agreement of the International Bank. Colombia has been a member of the International Monetary Fund since its inception.

Colombia is one of the countries which attended the Bretton Woods Conference in the summer of 1944. Under the articles of agreement of the Bank, the subscription to the capital of the Bank assigned to Colombia is \$35,000,000. By action of the Board of Governors of the Bank at the

¹ Released to the press on Dec. 26, 1946 by the International Bank for Reconstruction and Development.

² Released to the press jointly by the International Monetary Fund and the International Bank for Reconstruction and Development on Dec. 30, 1946.

initial meeting at Savannah, Georgia, in March 1946, the time during which those countries attending the Bretton Woods Conference are entitled to accept the articles of agreement was extended from December 31, 1945 to December 31, 1946. Other countries entitled to sign the articles of agreement before the end of this year, which have not yet done so, are Australia, Liberia, New Zealand, the Union of Soviet Socialist Republics, and Venezuela.

Venezuela Signs Articles of Agreement of International Fund and International Bank²

The Articles of Agreement of the International Monetary Fund and the International Bank for Reconstruction and Development were signed on December 3 by Dr. M. A. Falcon-Briceño on behalf of the Government of Venezuela.

Having participated in the Bretton Woods monetary and financial conference, Venezuela is among the nations entitled to sign the Articles of Agreement by December 31, 1946. Venezuela's quota in the International Monetary Fund is \$15,000,000 and its subscription to the International Bank for Reconstruction and Development is \$10,500,000.

Agreement Between the United Nations and the ILO Signed

[Released to the press by the United Nations December 20]

The protocol bringing into force the agreement concluded between the United Nations and the International Labor Organization was signed on December 20 in the office of the United Nations Secretary-General. Trygve Lie signed for the United Nations, and Edward J. Phelan, Director General of the ILO, signed for that organization.

The agreement brings the ILO into official relationship with the United Nations as a specialized agency under the coordinating authority of the Economic and Social Council. Mr. Phelan will remain in his post as Director General of the ILO office.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

*Calendar of Meetings*¹

In Session as of December 29, 1946		
Far Eastern Commission	Washington	Feb. 26
United Nations:		
Security Council	Lake Success	Mar. 25
Military Staff Committee	Lake Success	Mar. 25
Commission on Atomic Energy	Lake Success	June 14
UNRRA-Intergovernmental Committee on Refugees (IGCR), Joint Planning Committee	Washington and Lake Success .	July 25
Telecommunications Advisory Committee	Lake Success	Nov. 10
German External Property Negotiations:		
With Portugal (Safehaven)	Lisbon	Sept. 3
With Spain (Safehaven)	Madrid	Nov. 12
Inter-Allied Trade Board for Japan	Washington	Oct. 24
FAO: Preparatory Commission To Study World Food Board Proposals	Washington	Oct. 28
Inter-Allied Reparation Agency (IARA): Meetings on Conflicting Custodial Claims	Brussels	Nov. 6
PICAO: Rules of the Air and Air Traffic Control Division	Montreal	Dec. 3
Intergovernmental Committee on Refugees (IGCR): Sixth Plenary Session	London	Dec. 16-20
European Central Inland Transport Organization (ECITO): Sixth Session of the Council	Paris	Dec. 18-19
Scheduled for December 1946 - February 1947		
Meeting of Medical and Statistical Commissions of Inter-American Committee on Social Security	Washington	Jan. 6-11
PICAO:		
Divisional		
Personnel Licensing Division	Montreal	Jan. 7

¹Prepared in the Division of International Conferences, Department of State.

Calendar of Meetings—Continued

PICAO—Continued		
Divisional—Continued		
Aeronautical Maps and Charts Division	Montreal	Jan. 14
Accident Investigation Division	Montreal	Feb. 4
Airworthiness Division	Montreal	Feb. 18
Airline Operating Practices Division	Montreal	Feb. 25
Regional		
South Pacific Regional Air Navigation Meeting	Melbourne	Feb. 4
Twelfth Pan American Sanitary Conference	Caracas	Jan. 12-24
Second Pan American Conference on Sanitary Education	Caracas	Jan. 12-24
International Wheat Council	Washington	Jan. 15
United Nations:		
Economic and Social Council (ECOSOC)		
Drafting Committee of International Trade Organization, Pre- paratory Committee	Lake Success	Jan. 20-Feb. 28
Economic and Employment Commission	Lake Success	Jan. 20-Feb. 5
Social Commission	Lake Success	Jan. 20-Feb. 5
Subcommission on Economic Reconstruction of Devastated Areas, Working Group for Europe	Geneva	Jan. 27-Feb. 13 (tentative)
Human Rights Commission	Lake Success	Jan. 27-Feb. 11
Statistical Commission	Lake Success	Jan. 27-Feb. 11
Population Commission	Lake Success	Feb. 6-20
Commission on the Status of Women	Lake Success	Feb. 10
Subcommission on Economic Reconstruction of Devastated Areas, Working Group for Asia and the Far East	Lake Success	Feb. 14
Transport and Communications Commission	Lake Success	Feb. 17-28
Non-governmental Organizations Committee	Lake Success	Feb. 25-27
ECOSOC, Fourth Session of	Lake Success	Feb. 28
Regional Advisory Commission for Non-Self-Governing Territories in the South and Southwest Pacific, Conference for the Estab- lishment of	Canberra	Jan. 28
ILO Industrial Committee on Petroleum Production and Refining	United States	Feb. 3-12

Activities and Developments »

TWELFTH PAN AMERICAN SANITARY CONFERENCE AND SECOND PAN AMERICAN CONFERENCE ON HEALTH EDUCATION¹

The Twelfth Pan American Sanitary Conference and the Second Pan American Conference on Health Education are scheduled to be held concurrently at Caracas, Venezuela, from January 12 to January 24, 1947. It is expected that all of the

¹ Prepared by the Division of International Conferences, Department of State.

American republics will attend. In addition, Canada and the British, French, and Dutch possessions in this hemisphere have been invited to send observers.

The Pan American Sanitary Conference functions as the governing body of the Pan American Sanitary Bureau, which is a central coordinating agency for public health in the Western Hemisphere. The Conference is concerned with making recommendations in regard to the improvement of sanitary conditions in the American republics. The agenda will include, in addition to numerous technical subjects, consideration of the relationship of the Pan American Sanitary Bureau to the World Health Organization.

The First Pan American Conference on Health Education was held at New York in 1943 for the purpose of discussing methods of improving sanitary education, reorganization of programs for training personnel, and other related subjects. The present Conference, meeting in conjunction with the Twelfth Pan American Sanitary Conference, will undertake a consideration of the following points: (1) the role of sanitary education in a health plan; (2) the organization of an inter-American association of sanitary education; (3) a critical study of publications and visual aids which may be used in sanitary education; (4) a critical study of the techniques of sanitary education; (5) coordination of adult and school programs of sanitary education; (6) the contribution to sanitary education by other organizations; and (7) the training of health educators and teachers.

It is expected that the United States Delegation will be composed of representatives from the United States Public Health Service, the Army, the Navy, and the Department of State.

MEETING OF ILO PETROLEUM COMMITTEE¹

The International Labor Organization's industrial committee for the petroleum industry will meet at Los Angeles February 3, it was announced at ILO headquarters in Montreal on December 31.

The committee is composed of the representatives of 12 countries, each national delegation being made up of two government members, two management representatives, and two representatives of labor. The session, the committee's first, will conclude February 12.

The committee is one of eight such bodies which form part of the ILO's machinery. Committees for the textile and construction industries met recently at Brussels, committees for coal mining and inland transport will meet for a second time at Geneva in March or April, and iron and steel and metal trades committees will hold their second sessions at Stockholm in August.² A date has not yet been fixed for the initial meeting of the eighth committee, which will deal with the chemical industry.

MEETING OF GOVERNING BODY OF ILO³

The governing body of the International Labor Organization will hold its 101st session at Geneva, Switzerland, March 5 through March 8, it was announced at ILO headquarters in Montreal on December 27.

The session will be preceded by meetings of the governing-body committees on budgetary allocations, staff questions, and finance, and will be followed by a meeting of the standing orders committee. The committee meetings will begin February 20 and conclude March 11.

The governing body will deal with a 16-point agenda. In addition to considering reports of its various committees, it will draft estimates for the ILO's 1948 budget for submission to the general conference of the Organization beginning June 19 at Geneva and will fix the date, place, and agenda of the 1948 conference.

¹ Released to the press by the International Labor Office, Montreal, Dec. 31.

² For article on the first session of the iron and steel and metal trades committees in Cleveland, Ohio (Apr. 23-29, 1946 and May 2-11, 1946, respectively), see BULLETIN of Sept. 8, 1946, p. 447.

³ Released to the press on Dec. 27 by the International Labor Office, Montreal.

THE RECORD OF THE WEEK

United States - Polish Agreement on Compensation Claims

[Released to the press December 27]

Discussions held at the Department of State with the Polish Minister of Industry, Hilary Minc, on the occasion of his visit to this country as Delegate to United Nations Assembly and to the UNRRA Council session, have resulted in agreement on several economic and financial problems of importance to both countries.

Agreement was reached on principles in terms of which the procedure of compensation to United States owners of enterprises taken over under the Polish Industries Nationalization Act of January 3, 1946 will be implemented.¹ It was agreed that compensation should be effected in dollars for investments of United States nationals in dollars or in currencies, including zlotys, which at the time of investment were convertible. It was further agreed that the terms of payment of such compensation should be fixed by agreement of the two governments in light of the prospects of the Polish balance of payments when the total amount of compensation is known. It was agreed that the American Embassy in Warsaw shall be able to enter valid protests, with or without authorization of the affected owners, during a period of 30 days following announcement of nationalization but that the proofs substantiating claims of American owners should be submitted promptly thereafter. With respect to protests not filed, by reason of lack of knowledge on the part of the American owner, it was further agreed that the Polish Government would undertake to consider such claims upon the petition of the owner.

Particular attention was paid to claims arising out of the nationalization of property physically situated in the former territory of the German Reich but now part of the administrative area of Poland. With respect to such property held by

corporations legally domiciled in the affected territory, it was agreed that compensation would be made to the extent of the interest of the American claimants. With respect to similar properties owned by corporations legally domiciled in the present administrative area of Germany as defined in the Potsdam Declaration of August 1945, it was agreed that compensation will be made whenever the interest of American owners is 51 or more percent of the corporate voting stock and that, furthermore, compensation will also be made in cases of minority holdings whenever such holdings are shown, under regulations to be set up by the Polish-American mixed commission, to involve participation in the control of such business.

Under the terms of the agreement this Polish-American mixed commission, consisting equally of representatives of the two Governments, will formulate standards in terms of which, pursuant to the provisions of the Polish nationalization act, the properties are to be evaluated; provision is further made for the review of such standards. It was further agreed that should the awards to American claimants be found unsatisfactory, the two Governments would undertake to settle the differences in a spirit of mutual understanding and that if such understanding were not obtainable within a reasonable time, the differences would be referred to an umpire to be designated by the two Governments or, failing agreement, by the Secretary-General of the United Nations.

Simultaneously, the Secretary of the Treasury informed the Polish Minister of Finance that Polish assets in the United States will be released effective January 7, 1947, through the inclusion of Poland in General License No. 95. The Secretary of State also released the gold and the accounts in the United States of the Bank of Poland by certification under section 25 (b) of the Federal Reserve Act, thereby permitting the Bank of Poland to earmark or export such gold.

¹ For article on the Polish Nationalization Law, see BULLETIN of Oct. 13, 1946, p. 651.

Conversations With Greek Prime Minister During Visit to U.S.

[Released to the press December 23]

The Prime Minister of Greece, Constantine Tsaldaris, visited Washington as the guest of the United States Government from the evening of December 19 to December 23. Opportunity for the visit was afforded by the Prime Minister's trip to the United States to appear before the United Nations Security Council at New York.

The Prime Minister had talks with the President, the Secretary of State, the Secretary of the Treasury, and other high officials of the United States Government. During the conversations a very useful exchange of views took place.

The Prime Minister described the economic condition of Greece with particular reference to the problems presented by the imminent cessation of UNRRA shipments. The American officials indicated their recognition of the efforts already made by the Greek people for the reconstruction of their economy and assured the Prime Minister that this Government will urgently explore all possibilities of rendering immediate as well as long-range economic assistance to Greece. The Prime Minister met Paul A. Porter, who is to be the head of an American economic mission which will go to Greece next month for the purpose of studying Greek needs for reconstruction and development and the extent to which these can be met by more effective mobilization of Greek resources as well as by outside assistance.

Although the talks were primarily on economic subjects, it was recognized that the feeling of insecurity of the Greek people had impeded Greek reconstruction. It was felt by the participants that the recent action of the Security Council in appointing an investigating commission to visit Greece and neighboring countries should have an important indirect effect on economic rehabilitation, as it was regarded as the first step toward alleviating the tense political situation in that area. The United States authorities took the occasion to renew assurances of support, in accordance with the principles of the United Nations, for the independence and integrity of Greece.

Assistant Secretary Hilldring Elected Chairman of Bi-Zonal Supplies Committee

[Released to the press December 26]

On December 26 John H. Hilldring, Assistant Secretary of State for Occupied Areas, was elected chairman of the British-American Bi-Zonal Supplies Committee at its organization meeting in the Department of State.

The Bi-Zonal Supplies Committee was established under the terms of the recently consummated Anglo-American agreement merging economically the American and British occupied zones of Germany.¹ The committee, comprised of American and British representatives, will have its headquarters in Washington.

According to the merger agreement, signed by Secretary Byrnes and British Foreign Minister Bevin on December 3, functions of the Bi-Zonal Supplies Committee will be:

"(a) In the case of commodities in short supply, to support the requirements of the Joint Export-Import Agency before the appropriate (allocating) authorities." (The Joint Export-Import Agency has been established in Germany to handle all export-import matters for the merged United States - British zones.)

"(b) To determine, where necessary, sources of supply and to designate procurement agencies having regard to the financial responsibilities and exchange resources of the two Governments."

Vice chairman of the Bi-Zonal Supplies Committee will be Roger Makins, British Minister. The two other British regular members are R. Gordon Munro, British Minister, and Maurice Hutton, Chief of the British Food Mission in the United States.

Serving with Mr. Hilldring as American members are Under Secretary of Agriculture Norris E. Dodd and Assistant Secretary of War Howard C. Petersen.

Structure of the committee will be "open-ended". This will permit flexibility in membership to include, when necessary, representatives of other agencies or departments of Government in discussions in which they may have an interest.

¹ BULLETIN of Dec. 15, 1946, p. 1102.

Clarification of U. S. Position on Antarctic Claims

STATEMENT BY ACTING SECRETARY ACHESON

[Released to the press December 27]

Acting Secretary Acheson at his news conference on December 27, in answer to an inquiry concerning an alleged international diplomatic dispute having to do with the British Survey and Weather-Station Mission which is now at Marguerite Bay in the Antarctic, said:

As the press reports from London indicate, the State Department has not requested the British Government to remove the British expedition from Marguerite Bay, in the Antarctic. What has happened is this: As you may recall, an official expedition of the United States Government, known as the U.S. Antarctic Service Expedition, operated in the Marguerite Bay region in 1939, 1940, and 1941. The Departments of the Government identified with this expedition were the Interior, State, Navy, and Treasury. On leaving the Marguerite Bay region this expedition left behind considerable property, including huts, various types of machinery, and certain supplies.

As has already been reported, an independent, private American expedition led by a reserve Navy officer, Commander Finn Ronne, plans to depart from the United States some time in January for the Marguerite Bay region. This is not an official Government expedition. However, by Act of Congress, this Government has loaned to Commander Ronne for this expedition a Navy ship. It should be pointed out that this expedition, commanded by Commander Ronne, is entirely separate from the U.S. Navy Exercise just now arriving in Antarctic waters. Insofar as the State Department knows, this Exercise, led by Rear Admiral Cruzon, will not operate in the Marguerite Bay region.

At Commander Ronne's request, the State Department recently requested the British Government to ascertain and inform us of the condition of the property which was left in Marguerite Bay in 1941 by the U.S. Antarctic Service Expedition.

Such an inquiry was made of the British in view of the fact that the British have an expedition operating in the Marguerite Bay region. The British recently furnished this requested information, and the Department has passed it on to Commander Ronne.

The British have said that while there would be insufficient space for two full-sized expeditions at Marguerite Bay, and not enough seals for food for dogs, they have indicated their willingness to work out some arrangements for cooperation between the British and American expeditions in that area.

In this connection, the United States Government has not recognized any claims of any other nations in the Antarctic and has reserved all rights which it may have in those areas. On the other hand, the United States has never formally asserted any claims, but claims have been asserted in its behalf by American citizens.

Air-Transport Agreements

China

The bilateral air-transport agreement between the United States and China, which was initialed by representatives of the two Governments on November 30, was formally signed in Nanking on December 20, the Department of State announced on December 23.¹ The agreement is based on the standard clauses drawn up at the Chicago aviation conference of 1944 and also incorporates the so-called "Bermuda principles" contained in the bilateral air agreement between the United States and the United Kingdom and in other subsequent agreements.

The three United States airlines certificated by the Civil Aeronautics Board to serve China are Pan American World Airways System, Trans-World Airline, and Northwest Airlines. Under the new agreement Pan American may serve Shanghai and Canton on one trans-Pacific route

¹ For text of the agreement see Department of State press release 926 of Dec. 23, 1946.

via Honolulu and Tokyo and on another route via Honolulu and Manila, in connection with its round-the-world service; TWA may serve Canton and Shanghai on its route from the United States via Europe and the Middle East; and Northwest Airlines may serve Tientsin and Shanghai on its north Pacific route via Alaska and Tokyo, which terminates at Manila.

Chinese airlines are granted two routes to San Francisco via the mid-Pacific and the north Pacific, and a third route to New York via Europe.

The agreement was signed for the two Governments by American Ambassador J. Leighton Stuart and Chinese Foreign Minister Wang Shih-chieh. Bolling R. Powell from the Department of State also assisted the Embassy in the negotiations.

Peru

The Department of State announced on December 27 that a bilateral air-transport agreement between the United States and the Republic of Peru was signed on that date at Lima. The agreement was signed on behalf of the United States by the Ambassador, Prentice Cooper, and William Mitchell, special representative of the President with rank of Minister, and on behalf of the Republic of Peru by Enrique Garcia Sayan, Minister for Foreign Affairs, and Enrique Gongora, Min-

ister of Aeronautics. The Ambassador was assisted in the negotiations by William Mitchell and John O. Bell, Assistant Chief of the Aviation Division of the Department of State.

The body of the agreement expresses the provisions of the so-called "standard form" drawn up at the Chicago aviation conference as well as the principles enunciated in the so-called "Bermuda agreement" between the United States and the United Kingdom.¹

The Civil Aeronautics Board has previously determined that Pan American-Grace Airways and Braniff Airways will be the two American flag carriers to operate the international air routes covered by this agreement. By the agreement, American carriers are given rights from the United States and/or the Canal Zone to the cities of Talara, Chiclayo, Lima, and Arequipa in Peru, and beyond to points in Chile and Bolivia or beyond. This constitutes a part of the air-transport route patterns contemplated by the Civil Aeronautics Board. Airlines of the Republic of Peru are given rights to fly from Peru via the Canal Zone and Habana, Cuba, to Washington, New York, and, beyond the United States, to Montreal, Canada.

¹ For text of agreement see Department of State press release 933 of Dec. 27, 1946.

Addresses and Statements of the Week

William Benton, Assistant Secretary for Public Affairs and Chairman of the U.S. Delegation to the First General Conference of UNESCO.	On the subject of the UNESCO Conference in Paris. Text issued as press release 927 of Dec. 23. Printed in this issue.	Broadcast over the CBS system on Dec. 23.
	In commemoration of Woodrow Wilson's birthday. Text issued as press release 934 of Dec. 28. Not printed.	Broadcast over the ABS network on Dec. 28, under the auspices of the Woodrow Wilson Foundation.
Hugh Borton, Chief of the Division of Japanese Affairs, and Edwin M. Martin, Chief of the Division of Japanese and Korean Economic Affairs.	On the subject of American policy in Korea. Text issued as press release 931 of Dec. 28. Not printed.	Broadcast over the NBC network on Dec. 28.
Acting Secretary Acheson-----	Statement on U.S. position regarding Antarctic claims. Text issued as press release 936 of Dec. 27. Printed in this issue.	Made at a news conference on Dec. 27.

Lend-Lease Operations: Twenty-Third Report

PRESIDENT'S LETTER OF TRANSMITTAL ¹

[Released to the press by the White House December 27]

To the Congress of the United States of America:

I am transmitting herewith to the Congress the twenty-third report of operations under the Lend-Lease Act.

Lend-lease operations since V-J Day have been limited largely to negotiating final settlement agreements and to certain other liquidation activities. The principal liquidation activity has related to the substantial quantities of lend-lease supplies which were in inventory or procurement in the United States at the time that direct lend-lease aid was terminated. Steps were taken immediately to sell to lend-lease countries the supplies which had been procured or contracted for on their behalf. Such sales agreements were entered into with 13 countries, the total amount aggregating almost \$1,200,000,000. Most of these supplies have already been shipped and the remainder will be transferred to the recipient countries as rapidly as possible. This report discusses the terms and provisions of the sales agreements.

In the period covered by this report, agreements on final settlement for lend-lease and reciprocal aid have been signed with the Governments of France, Belgium, Turkey, Australia, New Zealand, and India. Detailed accounts of these agreements are contained in this report. The first settlement agreement was negotiated with the United Kingdom and was discussed in the twenty-second report.

Final settlements have been signed with countries which received 70 percent of total lend-lease aid. Countries with which agreements remain to be negotiated include the U. S. S. R., China, Greece, the Netherlands, Norway, and the Union of South

Africa. Preliminary discussions concerning settlements are now in progress with several of these countries.

In the negotiation of the settlements the objective has been to carry out the provisions of Article VII of the Master Lend-Lease Agreements with various countries, which provide that ". . . the terms and conditions thereof shall be such as not to burden commerce between the two countries but to promote mutually advantageous economic relations between them and the betterment of worldwide economic relations." Viewed in the light of the objectives of the Lend-Lease Act and the Master Agreements, I believe that the settlements which have been worked out not only are highly satisfactory to the United States in the financial sense but also serve the long-range interests of this country by providing one of the foundations of economic stability in the postwar world.

Although the value of lend-lease can never be satisfactorily measured in monetary terms, I think it should be noted that return to the United States from lend-lease through September 30, 1946 exceeded 10 billion dollars, including reverse lend-lease aid, cash payments for goods and services furnished under lend-lease, payment made or to be made under the final settlement agreements, and the sale of supplies in inventory or procurement.

Negotiation of the remainder of the final lend-lease settlements, fiscal activities in connection with the payments due under the various agreements, and the recording and reporting of fiscal operations are the principal continuing lend-lease functions.

HARRY S. TRUMAN

THE WHITE HOUSE,
December 27, 1946.

¹ Filed Dec. 27, 1946, with the Secretary of the Senate and the Clerk of the House of Representatives, as provided in Section 5-b of the Lend-Lease Act.

The Minutes of the Council of Four of the Paris Peace Conference of 1919

*Review by James S. Beddie of Volumes V and VI of "Papers Relating to the Foreign Relations of the United States, The Paris Peace Conference, 1919"*¹

With the publication of these two volumes the minutes of the meetings of the Council of Four at the Paris Peace Conference of 1919 are at last made available to the public. Thus, after somewhat more than a quarter of a century one is able to form his own opinion on the basis of the text of the original documents of the reasons for and the wisdom underlying most of the major decisions made at Paris.

The sessions of the Council of Four covered a period from their inception in March 1919 to the day of the signature of the Treaty of Versailles and the departure of President Wilson from Paris on June 28, 1919. During that period the Council of Four may be regarded as constituting the Supreme Council of the Peace Conference.

The earlier manifestation of the Supreme Council had been the Council of Ten, established at the opening of the sessions of the Peace Conference on January 12, 1919. The American representatives were usually President Wilson and Secretary of State Lansing, and the other Great Powers each had two representatives. The Council of Ten proceeded with the business of the Conference in almost daily sessions. There soon appeared, however, certain signs of dissatisfaction with this form of organization and its method of doing business. It was felt that the Council of Ten was too large a body to act effectively and to keep its proceedings secret. Many also felt that it was not progressing rapidly enough with the preparation of peace terms, especially those dealing with major questions which would require decisions by the Great Powers.

Several meetings of groups more limited than the Council of Ten were held in the early part of March, and on March 24 at 3 p.m. a meeting was held in advance of the meeting of the Council of Ten on that date. At the advance meeting, with President Wilson, M. Clemenceau, Mr. Lloyd

George, Signor Orlando, and Marshal Foch in attendance, and with M. Mantoux as interpreter, the question of the transport of General Haller's troops to Poland was discussed. At the same meeting or at the subsequent session of the Ten it was decided that no date should be fixed for the next meeting of the Council of Ten, and that thereafter the four heads of governments should meet by themselves twice daily. President Wilson later recalled that "it was on his initiative that the meetings of this small group had been held" (vol. vi, p. 753). The announcement of the new arrangement was made in the press on the following day.

Thus the Council of Ten was broken up into two bodies; the Council of Four and a new and subsidiary body of five members known as the Council of Foreign Ministers or Council of Five.

The Council of Four consisted of President Wilson, Mr. Lloyd George, M. Clemenceau, and Signor Orlando or Baron Sonnino. The name, the "Council of Four" seems to appear for the first time officially in the minutes of the meeting of the Council of Foreign Ministers of April 1. At the meeting of May 17, 11:10 a.m. the title of the "Council of the Principal Allied and Associated Powers" was formally adopted. Informally, of course, and regularly in the press, the Council was referred to as the "Big Four". The group was also occasionally referred to as the Council of Five when a Japanese representative was present (a Japanese representative was present at 40 meetings), but in such cases it is to be distinguished from the Council of Foreign Ministers known regularly as the Council of Five. During the absence of Signor Orlando from Paris the body became a Council of Three, although the term "Council of Four" is frequently used to cover that

¹To be released on Jan. 11, 1947. These volumes are available from the Superintendent of Documents, Government Printing Office, Washington, D. C., at \$2.25 each.

period as well. In one form or another the Council held somewhat over 200 meetings. It is impossible to give an exact figure as some of the meetings were of an informal character.

The meetings were most often held at President Wilson's house in the Place des États-Unis, on other occasions at Lloyd George's apartment in the Rue Nitot, or at Clemenceau's office.

During the period over which its meetings were held the Council of Four was the highest authority on all matters before the Conference, and nearly all of the principal decisions concerning the treaty with Germany were made by it. Specialists continued to be used by the Council of Four and on certain problems, such as that of the Saar Basin, small committees were appointed to report to the Four directly and informally. The concentration of power in the Council of Four brought increased speed in the work of the Conference. It also brought greater secrecy and almost total exclusion of representatives of the smaller powers from the decisions reached by the Conference.

The fact that the Council of Four was a council of heads of governments resulted in the elimination of regular Japanese representation on the Supreme Council, which may have caused some resentment, but which helped to speed up the work of the Conference as the Japanese were not fundamentally interested in the European aspects of the German settlement. On May 26 a letter was received by the Four from the Japanese Delegation asking that in ordinary circumstances Japan might be represented on the Council. A polite reply was made to the effect that Japan would be invited whenever questions particularly affecting her were under consideration (vol. vi, p. 32).

Since Signor Orlando was the only member of the Four who did not understand the English language, the effectiveness of Italian participation in the deliberations of the Four was somewhat reduced. Thus, very early in the course of the meetings of the Four it was reported to the other American plenipotentiaries by Colonel House that—

"Orlando was rather worried about the way things were going in the Council of Four. There were present at the meetings of that Council only President Wilson, Lloyd George, Clemenceau and Orlando, and the discussions were all held in English. Mr. Orlando, however, did not understand English, and it was therefore necessary for Mr.

Clemenceau to translate not only what he said, but also what President Wilson and Lloyd George said. Mr. Orlando was therefore never certain as to whether he was being given the correct impression in the discussions" (*Foreign Relations, Paris Peace Conference*, vol. xi, p. 137).

It is evident from the minutes that progress toward the completion of the terms of the German treaty was more rapid during the period when the Italian Delegation had withdrawn from Paris.

The early meetings of the Council of Four were held with only an interpreter, M. Paul Mantoux, present in addition to the Four. Brief notes of the conversations and decisions were made by M. Mantoux, but soon the assistance of a secretary became necessary, Sir Maurice (now Lord) Hankey of the British Delegation.

The inconveniences arising from conducting business without a secretary or a formal record had been urged on Lloyd George by Sir Henry Wilson, who remarked to Lord Riddell (as the latter recorded in his diary) :

"I have told the Prime Minister that he ought to have Hanky-Panky with him. The trouble is that the Four meet together and think they have decided things, but there is no one to record what they have done. The consequence is that misunderstandings often arise and there is no definite account of their proceedings and nothing happens."

With the appointment of Sir Maurice Hankey as secretary, formal minutes of the meetings and a record of the decisions of the Council were kept, and from about April 21 the records of meetings of the Council are virtually continuous. An Italian secretary, Count Aldrovandi, was present at most of the later meetings, and portions of a diary kept by him have been published. President Wilson's secretary, Mr. Close, was present at one meeting, and his stenographer attended two meetings. At three meetings members of the joint secretariat were present.

The decisions of the Council were drawn up in formal language and communicated by Sir Maurice Hankey to the drafting committee, which transformed them into articles of the Treaty.

The minutes of the Council of Four in their physical aspects are similar to those which had previously been made covering meetings of the

Council of Ten. They were prepared in mimeographed form by the British Delegation, generally within a day or two after the meeting had been held.

The minutes are framed in indirect discourse, as customary in British reporting of such gatherings, and the literary style is dignified and formal. From the evidence available it may be concluded that the minutes represent adequately and correctly the positions taken by the participants in the course of the formal discussions among the Four.

During the period in which the conversations of the Four were held, the minutes of their meetings received very limited distribution. On the eve of President Wilson's departure Secretary Lansing found it necessary to write to President Wilson to request a copy for his use after the President's departure, stating that no records of these meetings were at his disposal. (*Foreign Relations, Paris Peace Conference*, vol. xi, p. 597.)

The question of what further distribution and what degree of publicity should be given to the records of the Council of Four was discussed at one of their last meetings (vol. vi, p. 753). President Wilson expressed strongly the view that the minutes should be treated as records of purely private conversations and stated that if he had thought that the notes were to be passed on to government departments he would have insisted on adhering to the original system of having no secretaries present. He thought that the actual conversations which led up to the conclusions reached should be regarded as private. Other members of the Council disagreed, holding that it might be necessary to pass along the minutes for the information of their successors in office, and no final decision was reached. Later, at a meeting of the Supreme Council (Council of Ministers of Foreign Affairs) on January 13, 1920, at which the whole question of preservation and publication of records of the Peace Conference was discussed, it was decided that these minutes should not be printed, but that the British and French Governments should preserve the notes which had been made and which were in their possession, pledging themselves to treat them as strictly secret.

Demands for further information about the proceedings of the Council of Four began to appear in the press almost as soon as the new form

of organization had been announced and continued to appear during the remainder of the life of the Conference. A number of extracts from the minutes were eventually published. Such extracts appeared as early as 1922 in Ray Stannard Baker's *Woodrow Wilson and World Settlement*, in Lloyd George's *The Truth About the Peace Treaties* in the course of the 30's, in articles by Mantoux and others who were present at meetings of the Four, in the published diaries of Count Aldrovandi, in Hunter Miller's *Diary*, and elsewhere.

Public sentiment for publication of the records of the Peace Conference, including, of course, the minutes of the Council of Four, was made evident in the resolutions of groups of historians, international lawyers, political scientists, and others interested in public affairs. Such action was taken by the American Historical Association as early as 1931. The result was the publication of the minutes of the Council of Four among the volumes of *Foreign Relations* containing the records of the Peace Conference of 1919.

In spite of the fact that some extracts from minutes of certain of the meetings of the Four have been published previously, there will be found in these volumes a great quantity of material that is new and much that is applicable to the problems of the peace treaties now being negotiated.

Possibly readers of these volumes will not find among the deliberations of the Four some of the things which they may expect to find. This is especially true of the details of the territorial settlement in Europe, the reason being that the territorial arrangements were worked out initially in the various territorial committees and then revised or approved without change by the central territorial committee, and sometimes also by the Council of Foreign Ministers, before presentation to the Supreme Council. As a result, in the case of a number of the territorial settlements the Four did little more than to register approval of decisions already reached on a lower level. In such cases the discussions of territorial questions, the positions assumed by the various national delegations, and the bases for the compromises or other settlements reached, must be sought in the minutes of the meetings of the territorial committees. On the other hand, there were a number of subjects

which had been reserved from discussion by the territorial committees previously as affecting the interests of one of the Great Powers, particularly Italy, and which required and received discussion at length by the Four.

The Council began its deliberations in an atmosphere of crisis and throughout its sessions the Four were confronted with one crisis of major proportions after another. The meetings of March 24 were beclouded with general pessimism over the news just received of the Bolshevik revolution in Hungary. As William Allen White on that day summed up the situation to Dr. C. H. Haskins of the American Delegation while the latter was starting for the session which was destined to be the last regular meeting of the Council of Ten: "In the race between peace and anarchy, anarchy seems ahead today."

There followed nearly at once the crisis over the Saar and the prolonged discussion of reparations. In the latter part of April these were eclipsed by the acute crisis over the Italian territorial claims, and on April 19, Signor Orlando made a formal statement in the Council of the principles underlying Italian claims stating that—

"He recognised that there was one Power represented there today, namely, the United States of America, which had not taken any part in the Treaty concluded with Italy by France and Great Britain. Consequently, he proposed at the moment to deal with the subject on the hypothesis that no engagements existed. Italy had formulated three definite and distinct claims. He believed these to be in conformity with the general principles which had been adopted by the Supreme Council in dealing with the Peace Treaty" (vol. v, p. 80).

President Wilson in reply stated that—

"It had been his privilege as the spokesman of the Associated Powers to initiate the negotiations for peace. The bases of the Peace with Germany had then been clearly laid down. It was not reasonable—and he thought his Italian friends would admit this—to have one basis of Peace with Germany and another set of principles for the Peace with Austria-Hungary, Bulgaria and Turkey. He must assume that the principles in each case would be the same. The whole question resolved itself

into this: We were trying to make peace on an entirely new basis and to establish a new order of international relations. At every point the question had to be asked whether the lines of the settlement would square with the new order. No greater question had ever been asked in any negotiations. No body of statesmen had ever before undertaken to make such a settlement. There was a certain claim of argument which must be brushed aside, namely, the economic and strategic argument" (vol. v, pp. 84–85).

Clemenceau when giving his views stated that—"in listening to President Wilson's speech, he felt we were embarking on a most hazardous enterprise, but with a very noble purpose. We were seeking to detach Europe and the whole world from the old order which had led in the past to conflicts and finally to the recent War which had been the greatest and most horrible of all. It was not possible to change the whole policy of the world at one stroke."

He went on, however, to state that he thought the Italians in taking the position they did—

"were making a great mistake. It would serve neither their own use nor the cause of civilisation. We French, as he had often said, had had to deplore the treatment given to the Italians in the Adriatic. But these moments were past. Now it will be necessary to traverse another critical period. He hoped his Italian friends were not counting too much on the first enthusiasm which would greet this action. Later on the cold and inevitable results would appear when Italy was alienated from her friends. He could not speak of such a matter without the gravest emotion. He could not think of one of the nations who helped to win this War separating from their Allies. We should suffer much, but Italy would suffer even more from such action (M. Orlando interjected 'without doubt')" (vol. v, p. 90).

Mr. Lloyd George took the practical position that—

"Great Britain stood by the Treaty, but that she stood by the whole of the Treaty. The map which he had in his hand attached to the Treaty showed Fiume in Croatia. This was known to Serbia. We could not break one part of the Treaty while standing by the other."

He thought Italy—

"was in the wrong and was making an indefensible claim. If war and bloodshed should result, what would the position be? Surely, there must be some sanity among statesmen! To break an Alliance over a matter of this kind was inconceivable. If Italy should do so, however, the responsibility would not be ours. We stood by our Treaty and the responsibility would rest with those who broke the Treaty" (vol. v, pp. 91, 93).

President Wilson said that—

"This solution would place a burden on him that was quite unfair. He did not know and did not feel at liberty to ask whether France and Great Britain considered the Treaty as consistent with the principles on which the Peace Treaty was being based. He was at liberty to say, however, that he himself did not. To discuss the matter on the basis of the Pact of London would be to adopt as a basis a secret treaty. Yet he would be bound to say to the world that we were establishing a new order in which secret treaties were precluded. He could not see his way to make peace with Germany on one principle and with Austria-Hungary on another. The Pact of London was inconsistent with the general principles of the settlement. He knew perfectly well that the Pact of London had been entered into in quite different circumstances, and he did not wish to criticise what had been done. But to suggest that the decision should be taken on the basis of the Treaty of London would draw the United States of America into an impossible situation" (vol. v, p. 93).

These points of view, as stated thus in the first discussion of the Italian claims among the Four, remained the basis of the positions of the members of the Council throughout the course of prolonged discussions from April 19 to 24 culminating in President Wilson's appeal to the Italian people and the departure of the Italian Delegation. These discussions, some of the most interesting and dramatic of those which took place among the Four, though earnest, were repetitive and developed no new points of view or possible solutions.

Many of the implications of their decisions for future history seem to have been realized by the participants in the discussions of the Four. None had a more lively realization of this than Clemenceau, the oldest of the Four. Thus in the course

of a discussion on reparations on April 29 he said that—

"His thoughts were not only of the necessities of the moment, but that here, as always, he was thinking of the necessities of the future. Peace had not merely to be signed: it had to be lived. It must be made of such a kind that it would mould the social life of the future. Considerations of sentiment might be left aside since they counted for little in political life, and it was necessary to approach all these problems in a spirit of conciliation and not to insist too strictly on a full measure of concessions or to propose as an alternative a definite breach between those who were charged with arriving at a solution that would guide the tendencies of the future. He himself might often have broken off negotiations if he had insisted on what he conceived to be his rights. Everyone had had to give way on points which appeared to be vital, and everyone must be prepared to take painful decisions and to bear the bitter reproaches of his own supporters" (vol. v, p. 350).

The return of the Italians did not end the discussion of Italian claims in the Adriatic, in Asia Minor, and in Africa. In connection with the discussion of mandates, Signor Orlando observed that by Mr. Lloyd George's scheme—

"Italy was excluded from participation in the mandates in Africa. He had spoken of this question before and had said that if mandates were a burden Italy was ready to accept them. If mandates had advantages, then Italy had the right to share them" (vol. v, p. 507).

With the submission of the Conditions of Peace to the Germans, anxiety among the Four was shifted to the question of action to be taken in the event of the Germans declining to sign the Treaty and there were frequent discussions with Marshal Foch and the military advisers. President Wilson favored verbal discussion of the Conditions of Peace with the Germans, at least to the extent of allowing the Allied experts to—

"explain the meaning of some parts of the Treaty of Peace which, in his view, the Germans had failed to understand. If our Experts could show that no heavier burden had been laid on the German people than justice required, it might make it easier for the German Delegates to explain to their own people" (vol. v, pp. 800-801).

M. Clemenceau believed that—

"This would serve the objects of the Germans. He agreed that they would probably leave without signing, but when troops began to move, they would sign soon enough. They wanted some excuse with their own people to make them sign" (vol. v, p. 801).

The size of the military forces to be allowed to Germany and the states of Central Europe received prolonged discussion. General Bliss did not believe that the armies of the new states of Central Europe should be reduced to too small proportions and pointed out—

"the danger of future combinations between Germanic, Slavonic and Asiatic races, which might eventually sweep the civilization of Western Europe out of the way. He personally had never believed in the possibility of the extinction of all traces of Anglo-Latin civilization from Western Europe, but he thought that by eliminating the possibility of the maintenance of order in Central and Southern Europe, the Council were formulating a possible scheme to bring this about. The brilliancy of the military glory which now lightened up certain of these Western nations of Europe might in reality not be an evidence of health but only the hectic flush of disease which would eventually result in the downfall of our strip of Latin and Anglo-Saxon civilization along the Western coast of Europe" (vol. v, pp. 879-880).

Each of the members of the Four remarked on the strong impression produced on him by General Bliss' remarks.

At the beginning of June, Lloyd George expressed concern over the character of the peace terms which had been prepared. At the meeting of June 2 he referred to the attitude of British public opinion and to meetings which he had held with members of the British Government and of the British Empire Delegation. He stated that all of those with whom he had consulted—

"had unanimously agreed that unless certain defects in the Treaty were put right they could not

advise that the British Army should be allowed to march or that the Fleet should take part in the blockade" (vol. vi, p. 139).

He thereupon proposed extensive concessions to Germany in the peace terms, all of these concessions being in fields which did not affect Britain's vital interests. M. Clemenceau countered by saying that—

"He had to consider the current opinion here in France. In England the view seemed to prevail that the easiest way to finish the war was by making concessions. In France the contrary view was held that it was best to act firmly. The French people, unfortunately, knew the Germans very intimately and they believed that the more concessions we made, the more the Germans would demand" (vol. vi, p. 142).

At the conclusion of this meeting it was agreed that no meeting should be held on the following morning, so that the Heads of States might be free to consult their own delegations. The other four American plenipotentiaries had already counseled the President¹ to hold such a meeting² and it might have been of advantage if similar meetings had been held earlier and more frequently. President Wilson's lack of opportunity to consult at this time any larger section of American public opinion than was comprised in the American Delegation placed him at a disadvantage compared with the others of the Four.

At the following session of the Four, one concession after another at the expense of Poland was agreed upon. Possibly contributing to this result was the fact that persistent disregard of the admonitions of the Four by Polish military leaders in the Ukrainian dispute had very largely exhausted the stock of good-will felt toward Poland by the Four. The powerful impression made by M. Paderewski in his appearance before the Council on June 5 was not sufficient to reverse this trend. Mr. Lloyd George frequently displayed impatience with Central and Eastern European intransigence. On one occasion he thought that—

"The whole of the trouble in Central Europe arose from the fact that their friends refused to obey the orders issued by the Supreme Council. He thought it would be necessary to take strong measures with their friends" (vol. vi, p. 257).

¹ *Foreign Relations*, Paris Peace Conference, vol. xi, pp. 587-88.

² For minutes of the American meeting of June 3, see *ibid.*, pp. 197-222.

President Wilson on the other hand expressed sympathy with the peoples of the new states, especially the Poles, stating that—

“As a matter of fact the Germans were far more subtle propagandists than the Poles. No one could induce him to believe that the Poles who were in no political position would be better propagandists in Upper Silesia than the Germans, who were. As against the Germans he was pro-Pole with all his heart” (vol. vi, p. 303).

M. Clemenceau took a strong stand against eleventh-hour modifications and concessions to the Germans stating that—

“He must say frankly that he did not believe in abandoning the scheme that had been drawn up. He probably knew the Germans better than any of his colleagues. He had known them very well since 1871. We had brought the proposals made to Germany before the whole world. To abandon them, merely because the Germans had objections, was a thing he could not assent to. . . . To do this would be to turn the whole world upside down. It would be not the conquerors but the conquered who came out best. . . . He was convinced that this or that concession would not make the Germans sign. There was much to be said against the Germans, but they were a people with great qualities even if they had great faults, and at present, they were very anxious to put their country on its legs again. Of course, if Alsace-Lorraine, the Saar, Poland, etc., were abandoned, we could have peace tomorrow . . . He was willing to accept modifications, but he was not willing to compromise the peace and the victory, which was not British, nor French, nor Italian, nor American, but a peace secured by all” (vol. vi, pp. 277-78).

In the event of the Germans refusing to sign the treaty, Mr. Lloyd George advocated a renewal of the blockade, but President Wilson was opposed to the imposition of a blockade.

“A military occupation was justified, but he did not believe in starving women and children. It was the last resort and should not be taken at first . . . The imposition of the blockade would shock the sense of mankind. A military occupation was the regular and habitual way of dealing with a situation of this kind. Germany had disregarded all methods of humanity, but this did not

justify the Allies in doing so” (vol. vi, p. 371).

After some discussion it was agreed that the Blockade Council should make every preparation for the re-imposition of the blockade, but that its actual enforcement should not be undertaken, even in the event of a refusal by the Germans to sign the Treaty of Peace, without a definite decision by the Four. In the meantime no actual threat was to be made public that the blockade was to be re-imposed, but short of this, steps were to be taken to give the public impression that such preparations were in hand.

When the Four turned to military measures to be taken against Germany, they were somewhat disconcerted by Marshal Foch's plan to secure the signature of various German States separately en route to Berlin and Clemenceau showed his displeasure with Marshal Foch openly and expressed concern about difficulties with the Marshal at such a time.

“He was particularly anxious not to have any trouble with Marshal Foch before the Germans had given their reply” (vol. vi, p. 524).

The attitude of the Germans and especially the events of Scapa Flow left the Four in the closing days of their deliberations with little confidence in the Germans' intention to fulfil their obligations under the Treaty. In the discussion of Scapa Flow, President Wilson prophetically remarked that—

“Difficulties of this kind would often occur in connection with the carrying out of the Treaty. The Germans would be tricky and would perhaps often destroy things that they had undertaken to return, alleging that the destruction had been perpetrated by irresponsible persons over whom they had no control. Hence, it was necessary to face the issue as to whether if they did so, we were prepared to renew the war” (vol. vi, p. 657).

While the minutes as here recorded reflect little of whatever element of drama may have surrounded the meetings of the Council, they do, however, record and reemphasize the salient characteristics of the Four, the lively political sense of Lloyd George, the tenacious devotion to Italian claims of Orlando, the realism and patriotism of Clemenceau, and the lofty idealism of President Wilson.

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Contributors

Katherine B. Fite, author of the article on the Nürnberg Judgment, is Assistant to the Legal Adviser, Department of State, and was temporarily assigned to Justice Jackson's staff in London and Nürnberg during July–December 1945.

H. van B. Cleveland, author of the article on United States and Economic Collaboration Among the Countries of Europe, is Assistant Chief of the Division of Investment and Economic Development, Office of Financial and Development Policy, Department of State.

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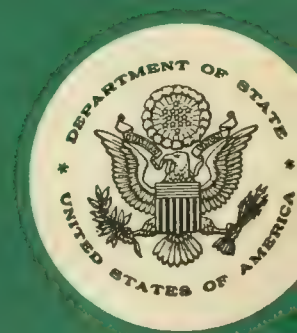
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The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest is included.

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INTERNATIONAL COOPERATION IN SUGAR

by Jean Mulliken

The place of sugar in the world economy has called for concerted action in time of war and in time of economic distress. This article sets forth the steps taken during the last several decades to stabilize the world sugar situation as related to the economic aspects of this vital commodity.

With the outbreak of every world war, supply lines are cut and shortages of sugar develop in consuming areas while stocks accumulate in the cane-producing areas. High prices induce expansion of production in some areas which could not compete in world markets under normal conditions, and if this production fails to contract when the low-cost producers return to the market the resulting surplus presents a problem as difficult of solution as the shortage which preceded it. The pressure of shortage is felt by the consumer. The burden of surpluses falls primarily on the producer. If consumer and producer are parts of the same body politic, their respective problems receive hearing at the same court, so to speak, and some acceptable compromise can be worked out. It is more difficult to achieve a compromise solution when producer and consumer are set apart by national frontiers. The outlook for international cooperation on sugar problems is, nevertheless, more promising at the close of World War II than it was after World War I.

Sugar is important in the foreign trade of most of the nations of the world. Cane sugar can be produced in nearly all tropical areas and was, before the war, an important export crop in Cuba, Java, the Philippines, Formosa, Australia, the Dominican Republic, and the French and British Caribbean islands. Many countries in the tem-

perate zone produce beet sugar, and a few, notably Czechoslovakia, Poland, and Germany, normally export it, but a large number of the beet areas rely on cane sugar to supplement an inadequate production. The tropics hold the world's sugar reserve.

During World War I European beet-sugar production fell from 8,000,000 tons to less than 3,000,000 tons in the course of four years. Cuba was the only country which could expand its output rapidly to fill the gap, and by 1920 Cuban production had increased by 25 percent. Demand continued far in excess of supply, however, and upon the removal of government controls in the United States, prices in the United States market rose rapidly to a peak of 26.5 cents a pound in May 1920. Sugar could be produced at a profit in almost any country at prices prevailing in the early 1920's, and farmers the world over expanded production to take advantage of the high returns. In the United States, production of beet sugar rose from 773,000 tons in 1914 to 1,166,000 tons in 1924. In the insular areas, protected by our domestic tariff, production expanded as rapidly as on the mainland, Philippine production rising from 421,000 to 779,000 tons, Puerto Rican from 346,000 to 660,000, and Hawaiian from 651,000 to 781,000 tons during the same 10-year period. The European beet-sugar industry revived rapidly at

the conclusion of the war, and the Caribbean islands, with their war-expanded production, were soon faced everywhere with contracting markets.

Countries like Cuba, which produce primarily for the world market, were the first to suffer from this contraction and the first to impose restrictions on production. In May 1926, the Cuban Government instituted production controls, providing for a 10-percent reduction in the crop then being harvested and empowering the President to restrict the crops of 1927 and 1928. These powers were later extended to cover the period from 1928 to 1933. The sugar surplus was too large a problem, however, to be solved by a single country. Prices continued to fall, and, in May 1931, seven of the principal sugar-producing countries combined forces in an effort to restrict production and relieve the pressure on the market. Cuba, Java, Germany, Czechoslovakia, Poland, Hungary, and Belgium entered into an agreement, known as the "Chadbourne Agreement", to limit their exports to specified annual quotas and to dispose gradually of their excess stocks. These countries accounted for approximately 40 percent of all sugar produced in the world at that time and for almost 90 percent of all sugar exported. Still the area of cooperation was too small. Each downward revision of export quotas was nullified by simultaneous contraction of the world market, as consuming countries, plagued by a world depression and facing serious problems of unemployment at home, reduced their consumption and sought to meet their requirements from indigenous supplies so far as possible.

The United States was no exception. With the onset of depression, domestic sugar producers called upon Congress for protection against falling world prices and succeeded in obtaining an increase in the rate of duty to 2.5 cents a pound. If this rate had applied against all imported sugar, it might have been effective in bolstering prices in the domestic market. Sugar from our territories and insular possessions is not, however, subject to duty, and the maintenance of high prices in this market immediately stimulated production in the lower-cost insular areas. In the three years following imposition of the Smoot-Hawley tariff of 1930, Philippine production rose 75 percent and Puerto Rican production more than 40 percent. With prices in world markets at about one-half cent a pound, and the New York price of 2.57 cents a pound proved very attractive to island producers, the mainland producers dis-

covered that the high tariff wall was serving to encourage insular production. If the mainland producers were to be given effective protection some method of restricting production in the territories was clearly called for, and the simplest device for placing a ceiling on imports was the imposition of a quota system.

The quota system was the principal feature of the Jones-Costigan Sugar Act, which was passed by Congress in 1934. It established percentage quotas for the United States market and offered "benefit payments" varying from 30 to 60 cents a hundred pounds to growers who would agree to restrict their sugar production. The quotas established for each area, foreign and domestic, were based in large part on their contribution to the United States supply during the period subsequent to the imposition of the Smoot-Hawley tariff. This choice of a base period reserved to areas inside the tariff wall the benefit of their recent gains and maintained Cuba's share at the relatively low level which it had reached during the depression.

At the same time that the United States was establishing quotas for the domestic market, other sugar-producing countries of the world were following a parallel route under force of similar circumstances. The depression in the sugar industry was so serious that even the lowest-cost producers found it impossible to operate at a profit and were willing to consider the feasibility of cooperative action to stabilize prices which would place the industry upon a sounder basis. As an outgrowth of the International Monetary and Economic Conference of 1933 the principal sugar-producing and sugar-consuming nations met in London in 1937 in an attempt to reach some agreement for the orderly marketing of sugar in world markets. At the conclusion of the meeting an international sugar agreement was signed by 22 nations, 18 of them representing producer interests and 4, the interests of importing nations.

This agreement provided for the establishment of export quotas for the world market, and each nation which was granted an export quota for its cane-producing territories bound itself to limit its stocks, at a maximum, to 10 percent of its quota. The importing countries agreed, in substance, to impose no new restrictions on the participation of foreign countries in their domestic markets. That this was not a large concession on the part of the

United States is evident from a glance at the quotas established under the domestic Sugar Act, which had been revised in 1937 and which continues in existence to the present time. The domestic beet industry is permitted to supply approximately 23 percent of all sugar consumed in the United States. Domestic cane growers supply an additional 6 percent. The quotas assigned to Puerto Rico, Hawaii, and the Philippine Islands are, roughly, 12, 14, and 15 percent, respectively. Cuba's quota is set at 28.6 percent, and the remaining 1 percent is divided among other countries. The market for foreign sugar in the United States is thus distinctly limited when quotas are in effect. Nevertheless, the assurance on the part of the United States Government that the share of foreign countries would not be reduced below 30 percent was welcomed as a stabilizing factor. During the 1920's Cuba had supplied the United States with almost 50 percent of its total consumption. When the Cuban quota was set at little more than half this figure, the diversion of Cuban sugar to the world market had disastrous consequences for all producers selling in that market as well as for Cuba.

When war broke out in Europe in 1939 the international sugar agreement had behind it two years of successful operation. Sugar prices were rising, and an element of stability had returned to the industry. Whether the agreement would have been able to weather a depression is a question which cannot be answered, for with the outbreak of hostilities the balance swung again from a surplus to a shortage condition and quota restrictions were either lifted or ignored.

Even in this period of impending shortage, however, there were areas where sugar was in surplus supply. Shipping lanes to Europe were blocked, and, after the capitulation of France, Caribbean sugar which normally found its market on the Continent piled up in the producing areas. The situation in Cuba became so acute early in 1941 that it was necessary to arrange a loan from the Export-Import Bank to finance the carrying of the crop. As it became increasingly evident that the war would be of long duration, the price situation gradually improved. By midwinter the 400,000 tons of sugar held as collateral for the Cuban loan could have been sold to European neutrals at a figure well above the United States ceiling price of 2.5 cents a pound. The Cuban Government, however, did not release the sugar for sale in

Europe, preferring to serve the market in this country, and when quotas for the United States market were lifted by presidential proclamation in April 1942 the sugar found a ready market here.

After Pearl Harbor the Philippines and Java, which customarily exported almost 2.5 million tons of sugar, were cut off from their western outlets, and the sugar shortage in the Western Hemisphere and in Europe became increasingly grave. None of the Central and South American countries were obliged to ration sugar, but most of them suffered from recurrent shortages. Canada, the United Kingdom, and the United States instituted rigorous rationing and did everything possible to husband their stocks and to increase production. The loss of Philippine supplies was a serious blow to the sugar economy of the United States. Our normal consumption was about 6.5 million tons of sugar a year. The Philippine Islands customarily provided 15 percent of this quantity, but there was little possibility of filling a gap of this size from domestic production at a time when our agricultural resources were being taxed to the utmost to provide other commodities needed in the prosecution of the war. Actually, domestic beet-sugar production declined from 1.7 million tons in 1942 to 1.0 million tons in 1944, although all quota restrictions were suspended early in 1942. If it had not been possible to divert the sugar which Cuba customarily supplied to Europe into the United States market and greatly to increase Cuba's production, the pinch of rationing would have been felt here much sooner and would have been much more severe.

The cooperative approach to world sugar problems which had been employed so successfully before the war in reducing the world surplus was now directed toward meeting the sugar shortage. The United States and the United Kingdom undertook to purchase all available stocks of sugar and to guarantee prices wherever necessary to maximize production. Great Britain established subsidies for cane-sugar production in the British colonial areas, and guaranteed minimum prices over a period of years. The United States negotiated with the Cuban Government for purchase of its entire exportable sugar supply, beginning in 1942 and extending through the 1947 crop. It also purchased the 1942 and 1943 exportable surpluses in Haiti and the Dominican Republic. Since this sugar was shipped primarily to Canada and the United Kingdom, however, the British

Government negotiated purchases in this area in succeeding years. Maximum production was the goal in every year except 1943, when submarine activity interfered seriously with shipping in the Caribbean and it was deemed advisable to limit the underwriting of the Cuban crop to the quantity which could be stored in Cuba in the event that it could not be moved to the mainland.

The price incentive offered for increased production in Cuba was relatively modest. The contract price for the 1942 and 1943 crops was 2.5 cents a pound. In 1944 the price was raised to 2.65 cents; in 1945 it was increased to 3.10 cents; and the base price under the 1946 contract was established at 3.675 cents, subject to adjustment for increases in the Food Price Index and the Consumers' Price Index of the Bureau of Labor Statistics, and for certain other contingencies. The highest price paid for Cuban sugar in 1946 will be the base price for the 1947 crop. The rise in the cost of living may result in a price in the neighborhood of 5 cents a pound for Cuban sugar in 1947, and also for Haitian and Dominican sugar, since their prices have paralleled Cuba's throughout the war. This compares with current quotations of 10 to 15 cents a pound for what little sugar is currently available on the world market.

The 1946-47 Cuban sugar-purchase contract contains the added proviso, inserted at the request of Cuba, that if the United States should enact legislation extending or modifying the International Sugar Act of 1937 in a manner detrimental to the position of Cuba as a future supplier of sugar to the United States market, the Cuban Sugar Institute may cancel the unfulfilled portion of the contract.

All sugar acquired by the Governments of the United States and the United Kingdom under exclusive purchase arrangements has been regarded as a pool, and supplies have been allocated by mutual agreement in accordance with wartime necessities. Almost a million tons of the 1945 Cuban crop was utilized in the production of alcohol for the manufacture of synthetic rubber. The major portion of each crop has regularly gone to meet the food requirements of the United States and the other Allied countries and of those countries dependent upon them for supplies. During the war this group was made up of the active combatants and cooperating neutrals. With the liberation of Europe, the number of countries dependent upon the pool, at least in part, grew rapidly; for

much of the European beet acreage had been overrun, refineries had been destroyed, and even where these remained intact there was a shortage of power for processing the beets. The break-down in internal transportation also presented a major problem, both in getting the beets to the factory and in distributing the refined product. Some of the liberated countries had been totally without sugar for months at a time, and it was essential that they be supplied promptly. Early in the war the Combined Food Board was set up by the Governments of the United States, the United Kingdom, and Canada to make recommendations regarding the procurement and distribution of commodities in short supply, and since sugar presented one of the more critical supply problems a sugar subcommittee of this Board has operated continuously.

When, on cessation of hostilities, the world was still faced with a serious shortage of sugar, it appeared desirable to broaden committee representation to include all countries with a substantial interest in the world trade in each commodity, the membership of the Sugar Committee was thereupon increased in accordance with this principle. The life of the Combined Food Board was first extended until June 1946 and then, when it became apparent that food shortages would continue throughout the following winter, its tasks were taken over by an organization set up on the recommendation of a special meeting on urgent food problems held under the auspices of the Food and Agriculture Organization of the United Nations. This organization, the International Emergency Food Council, has a membership of 27 countries, 8 of which are represented on the Sugar Committee. It is anticipated that the Council will continue in existence through 1947, although it may recommend the dissolution of a commodity committee whenever supplies approximate demand, there is little likelihood that the need for sugar allocations will disappear before the end of 1947. In all probability the world sugar shortage will continue into 1948.

As was to be expected, sugar allocations to the United States, the United Kingdom, and Canada had to be reduced somewhat with the reappearance of European demand. Per capita consumption in the United States, which had reached a peak of 103 pounds in 1941 and averaged 85 pounds during the succeeding three years, fell in 1945

(Continued on page 78)

THE UNITED NATIONS

Resignation of Bernard M. Baruch as U.S. Representative on Atomic Energy Commission

EXCHANGE OF LETTERS BETWEEN THE PRESIDENT AND MR. BARUCH

[Released to the press by the White House January 4]

DEAR MR. PRESIDENT:

I have the honor to inform you that the first phase of the work of the United Nations Atomic Energy Commission has been completed. The basic principles have been clearly stated in the Commission's report which has been submitted to the Security Council and exposed to the study of the world.

Accepting the principles, substantially those first enunciated by the United States Delegation on June 14 last, the Commission, after more than a hundred conferences, voted on December 30 (last Monday) by 10 to 0 (Russia and Poland abstaining) to approve the formulae submitted by the United States, as in keeping with the desires of the nations represented and with the creating Act of the General Assembly on January 24, 1946 in London.¹

The task of general disarmament, with special accent not only on the war use of atomic energy but on its peaceful uses, too, previously had been set by you in consultation in Washington with the Prime Minister of the United Kingdom and the Prime Minister of Canada in November 1945; and outlined and fortified by the Conference of Foreign Ministers in Moscow in December 1945, the personnel being Mr. Secretary Byrnes of the United States, Mr. Molotov of the Soviet Republics, and Mr. Bevin of the United Kingdom.

The active undertaking of the problem of General Disarmament by the Security Council, expressed in the Resolution of the United Nations General Assembly on December 14, 1946, has

created a new situation in which our hand would be strengthened by an identic representation on the Security Council and the Atomic Energy Commission.² This country is one of the few whose Atomic Energy Commission representative is not the same as the representative on the Security Council.

Former Senator Warren Austin, our member in that body, is thoroughly equipped to handle this business as it develops from now on. In fact, he would be handicapped by divided authority. And were he to take over the atomic subject, he would have the important aid of the United States Atomic Energy Commission (dealing with domestic phases of this matter), to the head of which you recently appointed the Honorable David Lilienthal. He would also have the assistance of the staff we have built up; of the State Department, which has been kept informed of our proceedings; and of the United States members of the United Nations Military Staff Committee.

So, because of my belief that the work of my American associates and myself is over, and because I am convinced that the job now should be taken over by Senator Austin, I submit my resignation and those of the men who have worked with me—all of whom worked without fee or expense allowance, and at considerable sacrifice to their personal affairs for nine months. Their efforts were of inestimable value to the country and, I hope, to the world. They include Messrs. John M. Hancock, Ferdinand Eberstadt, Herbert

¹ BULLETIN of June 23, 1946, p. 1057.

² BULLETIN of Dec. 22, 1946, p. 1137.

Bayard Swope, Fred Searls, Jr., Dr. Richard C. Tolman and Maj. Gen. Thomas F. Farrell.

We had the continuing help of Maj. Gen. Leslie R. Groves and his staff—he was the head of the atomic project since its military beginnings—and the help of our Scientific Panel: Drs. J. R. Oppenheimer, Robert F. Bacher, Harold C. Urey, Charles A. Thomas, Arthur H. Compton and I. I. Rabi. To this credit list I add the members of the United States Delegation to the United Nations Military Staff Committee, particularly Lt. Gen. M. B. Ridgway, USA, Gen. George C. Kenney, USA, and his successor Brig. Gen. C. P. Cabell, USA, and Admiral R. K. Turner, USN; they represented the Joint Chiefs of Staff of the United States.

We acknowledge the debt we owe to the preliminary work done in the Acheson-Lilienthal report and, too, I am grateful for the ever present and efficient work of our staff, who gave their minds and hearts to the job, at far lesser compensation than they could have earned in private pursuits.

No acknowledgment would be complete without recording the unfailing, whole-hearted support given at all times by you and Secretary Byrnes.

Permit me to make certain points:

In working out the basic principles to govern the control of atomic energy, I make bold to suggest that I and my associates have carried out the primary orders given by you and the Secretary of State at the time of my appointment last April.

I accompany this letter by the full report of the work of the Commission. From its text you will understand why I see encouragement as to the eventual outcome, for with four of the Great Powers, permanent members of the Security Council, and six other nations in agreement, the difficulty of gaining unanimity has lessened. While unanimous action is important, it must not be gained at the expense of principle. To do that would be to lull the world into a false sense of security.

As you and the Secretary of State are aware, in all of our insistences that “there shall be no legal right by veto or otherwise, whereby a wilful violator of the terms of the treaty or convention shall be protected from the consequences of violation of its terms” (the language of the report), we did not attack the general right of veto in the Security Council. We opposed the secondary veto upon enforcement or punishment, called for by a

treaty, if the treaty were approved by the Security Council and ratified “by the several nations necessary to assure its success.”

Let me say a word as to the final vote:

France, the United Kingdom and China together with the United States are the Four Great Powers approving the principles that were acted upon by the Commission. The six other nations were Australia, Mexico, Brazil, Egypt, the Netherlands and Canada. Those countries, excepting Canada, plus the two abstainers (Russia and Poland) compose, as you know, the Security Council. (Since the first of the year, Mexico, the Netherlands and Egypt have been succeeded in the Council and the Commission by Belgium, Colombia and Syria.)

As to the primary principles we have sought to enact, they are familiar to you, since they are definitely part of your instructions to us.

I can find no better way of summarizing the work of the Commission than to invite your attention to the Findings and Recommendations found from pages 18 to 27 of the Commission's Report already referred to.

They include, among many others, these most important elements:

(a) the creating of a comprehensive international system of control and inspection, under the direction of an agency within the framework of the United Nations, by means of an enforceable treaty, subject of course, to ratification by our Senate;

(b) that the control should start with the production of uranium and thorium when they are severed from the ground and extend through the production of fissionable material, using safeguards at each step, including accounting, inspection, supervision, management and licensing, as may be appropriate;

(c) that the powers of the agency should be commensurate with its responsibility, with no government possessing the right of veto over the day-to-day operations of the agency;

(d) that the agency should have unimpeded right of ingress, egress, and access for the performance of its inspections and other duties;

(e) prohibiting the manufacture, possession and use of atomic weapons by all nations and providing for the disposal of existing stocks of atomic weapons and fissionable materials;

(f) specifying acts constituting international

crimes, and establishing adequate measures of enforcement and punishment, subject to the condition that there shall be no legal right, by veto or otherwise, whereby a wilful violator shall be protected from the consequences of violating the treaty.

The international control agency will require broad powers commensurate with its great responsibilities, so that it may possess the requisite flexibility to adapt safeguards to a rapidly developing technology. The safeguards that have been discussed are meant only to be indicative of the types of safeguards that must be erected, which should be strengthened and never weakened.

There is one more theme that I must emphasize, namely that the Commission's recommendations constitute an integrated and indivisible whole, each part of which is related to, and dependent upon the others. This fact is stressed in the Commission's recommendations. It must never be lost sight of. No partial plan for the control of atomic energy can be effective, or should be accepted by this country.

In the extended debates of the Atomic Commission, the original principles of the United States Delegation have been tested and the outcome shows them to be sound.

We believe that this beginning, translated into action, may begin a broad program to govern weapons of mass destruction. In fact, it could even include other armaments. Were such a system employed effectively, it might lead us into a warless age.

I know how near to your heart that objective is. I know the peoples of the world are yearning for the chance to live and work with dignity and without fear, in Peace and Security.

To that end I shall hold myself ready to answer any call you may make.

Let me add these final thoughts:

I see no reason why this country should not continue the making of bombs, at least until the ratification of the treaty.

I have drawn your attention before to the necessity of preserving the atomic secrets. Particularly is this wise as to our designs, know-how, engineering and equipment. The McMahon law carries authority for this protection. If this authority should be found to be inadequate, it should

be broadened to meet any needs, until a treaty is ratified by our Senate.

While science should be free, it should not be free to destroy mankind.

Our gratitude goes to you for the opportunity of service you have given us.

With warm regard,

Respectfully,

BERNARD M. BARUCH

January 4, 1947.

DEAR MR. BARUCH:

The Secretary of State has handed me your letter of resignation as the Representative of the United States on the Atomic Energy Commission.

At first I was reluctant to accept the resignation. However, upon reflection, I have to agree with the correctness of the conclusions stated in your letter. The recent action of the General Assembly of the United Nations placed the responsibility for the consideration of disarmament proposals primarily upon the Security Council, where Senator Austin will represent the United States. I am impressed by the fact that, with one exception, the governments represented on the Security Council have the same representatives on the Atomic Energy Commission.

I know how tremendously interested you have been in the accomplishment of the task assigned you, and when you tell me that you believe your task is completed and that the work should now be taken over by Senator Austin, I accept your decision.

I wish to congratulate you most heartily on having secured the acceptance by the Commission of the United States proposal. It is inevitable that members of the Commission representing many governments should have differences of opinion as to the best approach to a solution of this problem. That our proposal should finally be accepted by a vote of ten to nothing, with two states abstaining, is a tribute to the fairness of our proposal. At the same time, it is convincing evidence of your skill and patience in presenting the proposal.

I wish you would extend to those who have been associated with you in this most important service my sincere appreciation of their efforts. Your own efforts in this matter only furnish additional evidence of your unselfish devotion to your country.

Very sincerely yours,

HARRY S. TRUMAN

LETTER FROM THE SECRETARY OF STATE TO MR. BARUCH

[Released to the press by the White House January 4]

January 4, 1947.

DEAR B. M.:

Referring to your note enclosing copy of your letter of resignation, I have today handed your letter to the President.

When I urged you to accept the appointment to the Atomic Energy Commission, I realized the difficulties of the task. At the same time, I realized that with your service in two wars you were deeply and sincerely interested in any proposal affecting the security of our country and any proposal to promote peace. The intelligent and courageous manner in which you have represented the United States on the Commission is respon-

sible for the general acceptance of the United States proposal.

Now that you have completed this phase of the work, I must agree that you are right in concluding that in as much as the subject of disarmament will hereafter be the primary duty of Senator Austin on the Security Council, it is wise that he should also serve on the Atomic Energy Commission.

You and the gentlemen associated with you, who have followed your example of serving the Government without compensation, are entitled to and I am sure will receive the thanks of a grateful people.

Sincerely yours,

JAMES F. BYRNES

General Assembly Resolution on Information on Armed Forces of the United Nations

LETTER FROM THE SECRETARY-GENERAL TO THE PRESIDENT OF THE SECURITY COUNCIL¹

30 December 1946.

SIR,

I have the honour to transmit the following resolution adopted by the General Assembly at its sixty-third plenary meeting held on 14 December 1946:

"INFORMATION ON ARMED FORCES OF THE UNITED NATIONS

THE GENERAL ASSEMBLY,

DESIROUS of implementing, as soon as possible, the resolution of the 14 December 1946 on the Principles governing the Regulation and Reduction of Armaments;

CALLS UPON the Security Council to deter-

mine, as soon as possible, the information which the States Members should be called upon to furnish, in order to give effect to this resolution."

I have the honour to request you to be so good as to bring this resolution to the attention of the Security Council.

I have the honour to be, Sir,

Your obedient Servant,

TRYGVE LIE

Secretary-General

THE HONOURABLE HERSCHEL V. JOHNSON

President of the Security Council

250 West Fifty-seventh Street

New York, New York

¹ Security Council Document S/230, Dec. 30, 1946.

Participation in Conference To Consider Establishment of Regional Advisory Commission for Non-Self-Governing Territories in South Pacific

[Released to the press January 4]

The United States has accepted an invitation extended by the Governments of Australia and New Zealand to attend a conference to be convened at Canberra, Australia, on January 28, 1947 to consider the establishment of a regional advisory commission for non-self-governing territories located in the Pacific south of the equator and east of and including Netherland New Guinea. The United States is responsible for the administration of American Samoa (population, 16,000) and a number of sparsely populated or uninhabited islands in that area. The Governments of France, the Netherlands, and the United Kingdom, which are also responsible for the administration of non-self-governing territories within the area to be covered by the proposed commission, have also been invited to attend the conference.

The proposed commission would provide a means whereby these Governments might cooperate more closely with one another to promote the social, economic, and educational advancement of the inhabitants of their island territories in the South Pacific. Establishment of such a commission would accord with the spirit of chapter XI of the Charter of the United Nations, in particular with article 73(d) relating to international cooperation to achieve the purposes of that chapter.

The inhabitants in this vast region number approximately 2,000,000 and, despite certain cultural differences, have many common problems which may be more effectively and economically solved through intergovernmental action. Among possible subjects for such action are: collaboration in research in the biological, natural, and social sciences; development of common facilities for teacher training and medical training; cooperation in developing transportation and communication facilities; improving labor conditions; and otherwise promoting the economic and social advancement of the local inhabitants. The United States has concurred in the view of the host Governments that the proposed commission should not be empowered to deal in any way with political matters or with questions of defense or security.

It is expected that the experience of the Caribbean Commission will be drawn upon in drafting the organization and functions of the proposed commission for the South Pacific, particularly in view of the fact that all of the members of the Caribbean Commission (the United States, France, the Netherlands, and the United Kingdom Governments) will be eligible for membership in the South Pacific Commission. It is recalled that the Caribbean Commission consists of four commissioners appointed by each member Government, meets twice a year, is served by a central Secretariat located in the Caribbean, and has affiliated with it a Research Council and West Indian Conference. The Conference is noteworthy since it provides a regular means of consultation among representatives of the non-self-governing territories of the Caribbean on matters of common interest and concern which lie within the terms of reference of the Commission.

The holding of such regional conferences of representatives of non-self-governing territories accords with the general spirit of the resolution adopted by the General Assembly of the United Nations on December 14, 1946.

The United States Delegation to the Canberra Conference will be composed as follows:

Delegate

Robert Butler, United States Ambassador to Australia

Principal Adviser

Capt. Harold A. Houser, U. S. N., Governor of American Samoa and representative of the Navy Department

Advisers

James Frederick Green, Associate Chief, Division of Dependent Area Affairs, Department of State

Roy E. James, Division of Territories and Island Possessions, Department of the Interior

Abbot L. Moffat, Chief, Division of Southeast Asian Affairs, Department of State

Arthur L. Richards, Assistant Chief, Division of British Commonwealth Affairs, Department of State

Secretary

Emil J. Sady, Division of Dependent Area Affairs, Department of State

Resignation of John G. Winant as U.S. Representative on ECOSOC

EXCHANGE OF LETTERS BETWEEN THE PRESIDENT AND MR. WINANT

[Released to the press by the White House January 21
December 19, 1946.]

DEAR MR. PRESIDENT:

At the time of the first assembly meeting in London in January 1946 when I was serving as Ambassador to Great Britain, you asked me if I would also represent the United States at the preliminary meeting of the Economic and Social Council. I did this and when I resigned from the London post, you and Mr. Byrnes asked me to continue as the United States Representative on the Economic and Social Council.

We have completed the third meeting of the Council and the recommendations made by it to the second General Assembly were, in large measure, adopted by the Assembly at its session which closed last week. The organization of the Council has been established, the coordination of the Council with the Specialized Agencies is almost completed and Commissions have been created in the major economic and social fields, appointments to them filled and confirmed, and the Commissions are now functioning.

It was my hope to continue with the Council until this work had been accomplished. I would therefore now respectfully request that you accept my resignation. It is nearly ten years ago that I accepted service in the foreign field and I would like to be free to pick up life again as a private citizen in my own country.

I deeply appreciate the courtesies which you and Secretary Byrnes have shown me. It has been a privilege to collaborate with the Under Secretary, Mr. William Clayton, who has had direct charge in the State Department of the economic and social program advanced by the United States Delegation in the Economic and Social Council. Other departments have greatly contributed to the success of our joint efforts.

I would also like to say that it is a matter of genuine regret that this decision will mean that I will not have the opportunity to continue to work with Senator Austin who is both a neighbor and a friend.

Thank you for making it possible for me to take part in the work of the United Nations which has been so well begun and which holds such promise for the future of mankind.

Sincerely,

JOHN GILBERT WINANT

January 2, 1947.

DEAR MR. WINANT:

I have read carefully your letter of December nineteenth and note the considerations which prompt your desire to relinquish work as United States Representative on the Economic and Social Council. The work of organization and coordination in which you assisted being almost completed, I feel that in justice to you I should comply with your request. Accordingly, I accept your resignation effective at the close of business on January 10, 1947.

I regret to have you leave the service of the Government. For almost a decade you have served with distinction in various posts of responsibility both at home and abroad and by that service have earned the right to return to private pursuits. I am sure that both Secretary Clayton and Senator Austin will regret, as I do, the loss of your invaluable counsel and cooperation.

With best wishes for your continued health and happiness,

Very sincerely yours,

HARRY S. TRUMAN

Conference of UNESCO

PRELIMINARY REPORT FROM PARIS¹

The General Conference of UNESCO ended on December 10. Dr. Julian Huxley, who had served as the Secretary-General of the Preparatory Commission, was elected Director-General. Archibald MacLeish of the American Delegation, chairman of the Drafting Subcommittee of the Program Committee, presented a consolidated report on the program, which was adopted.

Charged with the substantive work of the Conference, the Commissions on Reconstruction and Rehabilitation, on Program, and the Commission on Finance, Administration, Legal and External relations submitted programs for 1947 prepared by their various subcommittees which were approved with little change. All commissions and subcommissions of the Conference recommended that the Secretariat aid where possible and collaborate and cooperate with the specialized agencies of the United Nations and with recognized voluntary international institutions and stimulate and encourage the activities of voluntary national organizations. Summaries of their reports follow:

Commission on Reconstruction and Rehabilitation

The Commission recommended that a special Committee on Reconstruction, Rehabilitation and Equalization be created. Raising funds, procuring educational materials and equipment, and developing training programs for educational personnel were mentioned as its specific objectives. Countries receiving funds and materials will turn them over to a national authority for distribution. Only projects of immediate importance, requiring prompt action, will be financed directly by the UNESCO budget while funds received from other sources will be placed in a separate category and administered by the special committee.

The activities approved by the commission were:

(1) UNESCO will serve as the central agency in an extensive fund-raising campaign. It will formulate relief proposals, secure contributions,

make arrangements to distribute supplies, and stimulate the national commissions and voluntary organizations to cooperate in these activities.

This section of the international secretariat is to supply pamphlets, reports, photographs, posters, graphs, films, newsletters, statistical data, and histories to aid in the campaign to raise funds. It should call conferences of relief agencies and if necessary facilitate the travel of qualified representatives of voluntary relief organizations and maintain UNESCO representatives in the field.

(2) For needy areas UNESCO will publish materials having a direct value to schools and institutions, seeking fellowships for qualified leaders in these areas, and arrange for specialists to conduct educational seminars and workshops in war-torn sectors. It may underwrite the cost of a few "pilot" projects. For the summer of 1947 it will promote youth service camps in cooperation with student organizations.

(3) UNESCO will set up immediately a limited reserve fund or revolving fund to purchase surplus war property, especially scientific apparatus, and pay for transporting goods in emergencies.

Resolutions were passed to cooperate with the World Health Organization and with the United Nations Economic and Social Council in continuing the UNRRA work for children and the UNRRA fellowship training program. Close relations between children and youth in donor and receiving countries were proposed. The governments of devastated countries will send concrete information on their country's most urgent needs and report activities of their international voluntary organizations, and donor countries will report on the progress of their contribution to UNESCO.

Program Commission

The Program Commission reported its summary findings by subcommittees as follows:

¹Prepared by the UNESCO Relations Staff, Office of International Information and Cultural Affairs, Department of State.

Education

(1) For education in international understanding a study is to be made of the present activities along these lines in primary and secondary schools and colleges in consultation with a panel of experts; current training in institutions of higher learning will be surveyed; and a seminar will be established for teachers under 35 years of age.

Other immediate activities are to be the publication of a yearbook, formation of a committee on educational statistics, establishment of a clearing house for the international exchange of persons and assistance to international relations clubs.

(2) In its long-term work for international understanding the Secretariat, aided by a panel of experts, will begin in 1947 to help establish minimum fundamental education for all persons throughout the world and start the collection of data on adult education from member states. To improve teaching textbooks and teaching materials for international understanding, the Secretariat will establish a clearing house for revising textbooks, help formulate a code of ethics, call a world conference, and encourage bilateral agreements between member states. The Secretariat will also seek to improve the status of the teaching profession generally.

A committee of experts in health education, in cooperation with the World Health Organization, Food and Agriculture Organization, International Labor Organization, etc., will be appointed. The plight of handicapped children in war-devastated countries will be studied; youth service camps in these areas were endorsed because of their educational merits. The problem of reeducation in former enemy countries, the circulation of an international education newsletter, and the designation of January 1 as World Peace Day are referred to the Secretariat for further consideration. Action is also postponed on the education of youth along general technical and professional lines.

Mass Communications

UNESCO will appoint three commissions to study the needs of countries in which war has caused the loss or shortage of personnel, equipment, or raw materials and to report within six months on immediate measures for improvement.

The Secretariat will facilitate through fellow-

ships the pooling of experience by an international exchange of instructors and trainees. It will cooperate with the Freedom of Information sub-commission under the United Nations Commission on Human Rights in the preparation of a report on the obstacles to the free flow of information and ideas.

A committee of experts is to be appointed to study proposals for a world-wide network. It will have a program committee and will study the possibility of collecting materials for the use of those national or international radio facilities which become available to UNESCO. The press and films will be surveyed to determine the extent, range, and trend of production and distribution and the nature and degree of public usage. Telecommunications and postal services are to be investigated to show how their coverage can be extended and how the cost of services to the press and radio by cable, wireless, and airmail can be reduced.

UNESCO will also establish a committee to study and formulate recommendations on the responsibilities of UNESCO in the copyright field. It will request the national commissions to send by March 1, 1947, their observations on copyright matters and may cooperate with the Belgian Government on the proposed copyright conference during 1947, if the committee so recommends.

UNESCO will collect ideas of international significance and cooperate with experts in selecting a major theme of world interest for films, radio programs, and press features. It will either organize or stimulate the organization of an international forum of press and radio.

The Secretariat will invite member and non-member states to sign a convention facilitating the international circulation of visual and auditory materials and their importation without duty or quantitative restrictions. It will stimulate the production generally of international periodicals and draw attention of the press to accurate sources of information. It will also assist in the formation of an international film council and encourage national visual councils or institutes.

UNESCO will assist in drawing the attention of film producers to what is required in films for educational, scientific, and cultural purposes.

Natural Science

The Amazon study of tropical areas and the

nutritional-science field project for India, China, and the Amazon will be given the highest priority. The Secretariat has been instructed to meet the needs of devastated areas for scientific apparatus and equipment, where possible, through purchases of war surpluses.

Field offices to assist local scientists in raising living standards of non-industrialized peoples will be set up, starting in China, India, the Middle East, and Latin America. UNESCO will cooperate with the International Council of Scientific Unions, and the creation of international advisory engineering and medical councils will be encouraged.

Specific projects include the improvement of scientific literature; preparation for a world congress to consider rationalization of scientific publication and abstracting; the promotion of photolithographs, reproductions, microfilms, and photostat services; and the establishment of uniform scientific terminology. Grants-in-aid and the assignment of experts to national institutions; the operation of a scientific-apparatus information bureau; and the circulation of scientific films for research, teaching, and popularization are other activities proposed.

The Secretariat will explore the possibilities for establishing new international scientific laboratories, observatories, and stockrooms for pure substances, new materials, radio-active isotopes, etc. It will begin the compilation of a world register of scientific institutions and scientists and will take the responsibility for the completion of the UNRRA fellowship program. And as a continuing service the Secretariat will inform the public in all countries of new scientific documents and will outline their bearings on international and social relations.

Social Science, Philosophy, and Humanities

In the field of the social sciences, UNESCO will prepare a world inventory of research resources and explore the feasibility of publishing a yearbook, abstracts, and bibliographies.

Home and community planning will be approached in consultation with the Economic and Social Council and in collaboration with the national commissions. International study centers are approved, and a small group of experts will study and report on methods of international organization. A study of the tensions crucial to

peace, in their relationship to nationalism, internationalism, population and technological progress, will be initiated in 1947. The study of national judicial systems and international law to acquaint the general public with the rules of law will be explored.

In philosophy the subcommittee recommends the centralization of correspondence exchanged between universities, philosophical societies, and philosophers; help to the International Institute of Philosophy in publishing an international bibliography of philosophy and in developing a card index of articles in philosophical reviews. In cooperation with the United Nations Commission of the Rights of Man the Secretariat will organize an international conference to decide upon principles basic to a modern declaration of the rights of man.

In humanistic studies the Secretariat will explore basic principles of action and set up special commissions to recommend concrete proposals. In conjunction with a permanent committee of linguists the Secretariat will consider creating a documentation center for linguistic questions. It will prepare an agreement with the International Union of Academies for the continuation of humanistic studies hitherto prepared and published in Germany. The Secretariat will also investigate means for reprinting classical texts and inquire into the place that studies of the past occupy in present-day education.

The Creative Arts

UNESCO should study the role of the creative arts in education at all levels, including professional schools. Information services, central exchange for artistic products and persons, worldwide circulation of products in reproduction as well as in original form, international festivals and conferences, and experimentation with new techniques in teaching creative arts will be organized. The Secretariat should help artists to obtain tools, methods, and materials, and should initiate the recording of folklore and the study of the preservation of native arts and culture. The Conference resolved that: UNESCO will take such measures as are open to it under its constitution to protect and defend the freedom of the artist wherever it is put in danger.

In the field of literature the Secretariat will set up a translation office, encourage a bibliography of translations, list works suitable for translation, maintain an active file of translations, and create an international literary pool to supply magazines and newspapers with material for publication. UNESCO will stimulate, or undertake itself if necessary, the publication of an anthology of suffering and resistance.

The theater, including the ballet and opera, should be placed on equal footing with other creative arts, and UNESCO will call an international meeting of theater experts to found an international theatrical institution independent of UNESCO and supported by private national branches and centers. A committee will be named in collaboration with mass communication to recommend to member states a reduction in postal rates, transport charges, students' fares and other services which would encourage the work and exchange of creative arts and artists.

Libraries and Museums

The rehabilitation of libraries, museums, and archives is the first immediate consideration of this subcommission of UNESCO.

The Secretariat will stimulate scientific, cultural, and educational activities for adults and children in public libraries and museums throughout the world. It will help in the protection, rehabilitation, and restoration of sites, museums, collections, documents, and objects affected by the war; to these ends it will set up an inventory and create funds for outside contribution.

The Secretariat will encourage free access to all museums, sites, and collections, and will establish an international clearing house for publications and arrange for the distribution of existing stock-piles of books in Germany, Czechoslovakia, and England. It will also fill in serious gaps in public collections and encourage the creation of a national lending library in each country to be part of an international lending system serviced by UNESCO.

A working center is to be established to coordinate international bibliographical services; encourage or undertake publication of bibliographies of union catalogs, indexes, abstracts; and encourage uniform terminology. Additional projects will include the exchange of personnel, the con-

tinuation of the work of the International Museums Office of the International Institute of Intellectual Cooperation, the study of library and museum techniques, the study of current publishing problems, and the encouragement of an international organization of professional archivists.

Finally, the establishment of a library for the UNESCO Secretariat has been recommended and referred to the Executive Board for the necessary increase in budget funds.

Commission on Finance, Administration, Legal and External Relations

A budget of \$6,000,000 was adopted for the year 1947, and a revolving fund of \$3,000,000 was authorized.

There was considerable debate on this figure. David Hardman of the British Delegation proposed an increase of a million and a half dollars, saying, "We should be betraying our trust if, at the very outset of UNESCO's career, a move were made to reduce its financial resources to a point below what we believe necessary to put into execution its approved program."

William Benton of the American Delegation replied that this higher figure ignored the recommendation made by the Conference for streamlining the program and that full use must be made of temporary employees, working groups, and the staff loaned by governments and universities. He added that UNESCO would win support most effectively by an economical and prudent program in the first year.

France then proposed that the figure be increased \$550,000, with this amount to be spent exclusively on relief and rehabilitation. Mr. Benton warned against creating the false impression that UNESCO was handling direct relief and pointed out that American private sources had donated much larger sums than UNESCO could possibly obtain.

In the discussion of the revolving fund Mr. Benton stated he could not commit the United States Congress, and other delegates made similar comments in regard to their governments. The chairman of the session ended the discussion by saying that all votes on the budget were subject to this reservation.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

*Calendar of Meetings*¹

In Sess. on as of January 5, 1947²		
Far Eastern Commission.	Washington	Feb. 26
United Nations:		
Security Council	Lake Success	Mar. 25
Military Staff Committee	Lake Success	Mar. 25
Commission on Atomic Energy	Lake Success	June 14
UNRRA - Intergovernmental Committee on Refugees (IGCR):	Washington and Lake Success	July 25
Joint Planning Committee		
Telecommunications Advisory Committee	Lake Success	Nov. 10
German External Property Negotiations:		
With Portugal (Safehaven).	Lisbon.	Sept. 3
With Spain.	Madrid	Nov. 12
Inter-Allied Trade Board for Japan	Washington	Oct. 24
FAO: Preparatory Commission To Study World Food Board Proposals	Washington	Oct. 28
Inter-Allied Reparation Agency (IARA): Meetings on Conflicting Custodial Claims	Brussels	Nov. 6
PICAO: Rules of the Air and Air Traffic Control Practices Division	Montreal.	Dec. 3
Scheduled January - March 1947		
Meeting of Medical and Statistical Commissions of Inter-American Committee on Social Security	Washington	Jan. 6-11
PICAO:		
Divisional		
Personnel Licensing Division	Montreal	Jan. 7

¹ Prepared in the Division of International Conferences, Department of State.

² Dates continuous from 1946.

Calendar of Meetings—Continued

Aeronautical Maps and Charts Division	Montreal	Jan. 14
Accident Investigation Division.	Montreal	Feb. 4
Airworthiness Division.	Montreal	Feb. 18
Airline Operating Practices Division.	Montreal	Feb. 25
Regional		
South Pacific Regional Air Navigation Meeting	Melbourne	Feb. 4
Twelfth Pan American Sanitary Conference	Caracas	Jan. 12-24
Second Pan American Conference on Sanitary Education	Caracas	Jan. 12-24
Council of Foreign Ministers: Meeting of Deputies	London	Jan. 15-Feb. 24
International Wheat Council	Washington	Jan. 15
United Nations:		
Economic and Social Council		
Drafting Committee of International Trade Organization, Preparatory Committee	Lake Success	Jan. 20-Feb. 28
Economic and Employment Commission.	Lake Success	Jan. 20-Feb. 5
Social Commission	Lake Success	Jan. 20-Feb. 5
Subcommission on Economic Reconstruction of Devastated Areas, Working Group for Europe (tentative)	Geneva	Jan. 27-Feb. 13
Human Rights Commission	Lake Success	Jan. 27-Feb. 11
Statistical Commission	Lake Success	Jan. 27-Feb. 11
Population Commission	Lake Success	Feb. 6-20
Commission on the Status of Women	Lake Success	Feb. 10
Subcommission on Economic Reconstruction of Devastated Areas, Working Group for Asia and the Far East	Lake Success	Feb. 14
Transport and Communications Commission	Lake Success	Feb. 17-28
Non-Governmental Organizations Committee	Lake Success	Feb. 25-27
ECOSOC: Fourth Session of	Lake Success	Feb. 28
Meeting of Experts on Passport and Frontier Formalities	Geneva	Mar. 17
Regional Advisory Commission for Non-Self-Governing Territories in the South and Southwest Pacific, Conference for the Establishment of	Canberra	Jan. 28
ILO:		
Industrial Committee on Petroleum Production and Refining	Los Angeles	Feb. 3-12
101st Session of the Governing Body	Geneva	Mar. 5-8
Committee on Social Policy in Dependent Territories	London	Mar. 17-22
Committee of Experts on the Application of Conventions	Geneva	Mar. 24-29
Industrial Committee on Coal Mining	Geneva	Mar. or Apr.
Industrial Committee on Inland Transport	Geneva	Mar. or Apr.
Signing of Peace Treaties for Italy, Hungary, Bulgaria, Rumania, and Finland	Paris	Feb. 10
Red Cross Committee, International	Geneva	Mar. 3-15
Council of Foreign Ministers	Moscow	Mar. 10
Tuberculosis, Seventh Pan American Conference on	Lima	Mar. 17-22
Health Organization, World (WHO): Third Session of Interim Commission	Geneva	Mar. 31
European Central Inland Transport Organization (ECITO): Seventh Session of the Council	Paris	March

FIFTH ASSEMBLY OF THE INTER-AMERICAN COMMISSION OF WOMEN¹

The fifth assembly of the Inter-American Commission of Women was held at Washington, D.C., from December 2 to December 12, 1946. The 21 American republics were represented: Argentina, Brazil, Bolivia, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, United States, Uruguay, and Venezuela. This was the first time since the organization of the Inter-American Commission of Women in 1928 that all 21 American republics were represented.

The assembly studied and approved a report on the position of women of the American republics in their respective national constitutions, civil codes, and laws. The study and approval of this report was undertaken following the adoption of a resolution at the Eighth International Conference of American States at Lima in 1938 which required that such a report on the status of women in the Americas be submitted at the Ninth International Conference of American States, which will be held at Bogotá, Colombia, in December of this year.

Another important matter to come before the International Conference of American States will be the presentation by the Governing Board of the Pan American Union of the constitution and by-laws that will definitely establish the position of the Inter-American Commission of Women. A draft constitution prepared and approved by the Commission for presentation at Bogotá would make the Inter-American Commission of Women an integral part of the Pan American Union, dependent upon its Governing Board.

It was decided that the chairman and vice chairman of the Commission, together with other delegates, should visit some of the Latin American republics in order to awaken and stimulate the interest of women in the problems that the Commission will present to the conference at Bogotá, as

well as to unite women in support of the recommendations to be made at the conference.

The Commission agreed to create an emergency executive committee with headquarters at the Pan American Union building. The emergency executive committee is composed of delegates residing in Washington. It will act in an advisory capacity to the chairman of the Commission on any problems requiring prompt solution which may be presented in the period between assemblies.

A program of activities was approved, which was to be carried out by the delegates in their own countries, working through their governments and women's organizations. One of the limited number of resolutions approved by the assembly pledged the members of the Commission to work to establish the principle of equal pay and to raise the wages of women on low-paid jobs.

By unanimous vote the assembly approved a resolution to be sent to the Governing Board of the Pan American Union requesting that a bust of the late Dr. Leo S. Rowe, the great Panamericanist, be placed in the Hall of the Americas of the Pan American Union as an abiding tribute to his memory and to his work in uniting the Americas.

With respect to the proposals to be submitted to the Ninth International Conference of American States, the assembly adopted one which was considered basic, namely: To insist on the attainment of the civil and political rights of women in the countries in which these rights have not yet been obtained. On this subject, the prevailing opinion was that the creation of a treaty on the civil and political rights of women should be requested at this forthcoming conference. It is believed that the recommendations made on previous occasions lacked sufficient strength. Furthermore, this opinion is based on the fact that the world has entered into a period of internationalism which annuls the former concept of nationalism.

An important resolution was passed that a request be made to the United Nations, at the first meeting of its Commission on the Status of Women (February 12 to 27, 1947, Lake Success), for consideration of the appropriate means for consulta-

¹ Prepared by the Division of International Conferences, Department of State, in collaboration with the Women's Bureau, Department of Labor.

tion, coordination, and cooperation through which the experience and information of the Inter-American Commission of Women may be utilized more effectively and thereby make the fullest contribution toward the common goal of promoting women's rights throughout the world.

In compliance with a resolution adopted by the Chapultepec conference¹—concerning the creation of a "Women's and Children's Charter" by the Inter-American Commission of Women in cooperation with the American International Institute for the Protection of Childhood and the International Labor Organization—methods to be followed by the Commission in commencing this work were established.

At the fifth assembly of the Inter-American Commission of Women one of the most impressive features was the evident unity of purpose of a group of individuals representing different countries and the effective integration of ideas based on faith, freedom, tolerance, and mutual respect.

A list of the delegates to the Assembly and the countries they represented is given below:

Argentina, Sra. María Esther Luzuriaga de Desmarás, delegate; *Brazil*, Sra. Leontina Licinio Cardosa, delegate; *Bolivia*, Sra. Carmen B. de Lozada, delegate; *Chile*, Sra. Marta Vergara, delegate; *Colombia*, María Currea de Aya, delegate; *Costa Rica* (Sra. Angela Acuña de Chacón, delegate)², Srta. Consuelo Reyes, substitute delegate; *Cuba*, Sra. Elena Mederos de Gonzáles, delegate; *Dominican Republic*, Srta. Minerva Barnardino, delegate; *Ecuador*, Sra. Piedad Castillo de Levi, delegate; *El Salvador*, Srta. Marta Elena Solano, delegate; *Guatemala*, Srta. Guillermina López Martínez, delegate; *Haiti*, Madame Fortuna Guéry, delegate; *Honduras*, Dra. Ofelia Mendoza de Barret, delegate; *Mexico*, Sra. Amalia C. de Castillo Ledón, delegate; *Nicaragua* (Sra. Josefa T. de Aguerri, delegate)², Srta. Olga Núñez Abaunza, substitute delegate; *Panama*, Sra. Esther Neira de Calvo, delegate; *Paraguay* (Srta. María Adela Garcete Speratti, delegate)³,

¹ The Chapultepec conference (Inter-American Conference on Problems of War and Peace) was held at Mexico, D.F., Mexico, from Feb. 21 to Mar. 8, 1945, and was attended by delegates of all American republics with the single exception of Argentina.

² Did not attend fifth assembly; country represented by substitute delegate or observer (as indicated).

³ Prepared by the Division of International Conferences in collaboration with the Shipping Division, Department of State.

Srta. Delfina Jiménez, observer; *Peru*, Sra. Zoila Aurora Cáceres, delegate; *United States*, Miss Mary M. Cannon, delegate; *Uruguay* (Dra. Sofia A. de Demichelli, delegate)², Sra. Ofelia Machado de Benvenuto, substitute delegate; *Venezuela*, Sra. Isabel Sanchez de Urdaneta, delegate.

SIXTH SESSION OF THE COUNCIL OF ECITO¹

The sixth session of the Council of the European Central Inland Transport Organization (ECITO) was held at Paris, France, on December 18 and 19, 1946. The participating Governments were Belgium, Czechoslovakia, Denmark, France, Greece, Luxembourg, Netherlands, Norway, Poland, United Kingdom, Union of Soviet Socialist Republics, United States, and Yugoslavia. The United States Representative at the meeting was Paul Porter, Acting Chief of the Mission for Economic Affairs, London. Mr. Porter was assisted by J. Russell McClure, ECITO Liaison Officer on the staff of the American Embassy, Paris.

One of the major problems before the ECITO Council was that of the restitution of rolling stock to the owning country. A proposed plan for holding a special restitution conference to work on this complicated problem was turned down, but the Council agreed that arrangements for restitution on a purely technical basis would be discussed at the next meeting of the Council which will be held at Paris in March 1947. The determination of ownership was considered to be a problem to be decided above the level of ECITO, and whatever action ECITO would take on restitution would be without prejudice to ownership rights to be determined elsewhere.

The Council recommended that governments and authorities concerned, which have not yet done so, should forward to the organization authentic and detailed data as to the railway stock and inland waterway and harbor craft located in territories under their authority or control in continental Europe.

The Council passed a resolution on coal transport requesting that the Executive Board of the Organization, in consultation with interested parties, explore practical means aimed at the reduction of cross-haulage, particularly in the movement of coal. The Council further resolved that other

traffic should be reduced to a minimum so far as the economic and financial requirements of the various countries permit. It was decided that the capacity of the various means of transport should be increased to the fullest possible extent: (1) by giving highest priority to the supply of raw materials required for the repair of rolling stock and tugs; (2) by facilitating the solution of such major problems as labor and spare parts; (3) by considering the advisability of strengthening and renewing wagon stocks by the adoption of appropriate programs of construction and purchase; (4) by endeavoring to find remedies for the financial and other problems at present preventing full exploitation of and freedom of movement on waterways as a means of transport; and (5) by using inland waterways when it is not entirely justified on grounds of cost or for technical reasons.

A committee of the Council will meet on January 20, 1947, to study the desirability of establishing a coordinating body in the field of transport in Europe and to make recommendations as to the organization and tasks of such a body.

THE INTERNATIONAL WHEAT COUNCIL¹

The International Wheat Council will hold its fifteenth session in Washington on January 15, 1947 to consider a complete draft of an international wheat agreement. It is expected that representatives from the following 13 countries will attend this meeting: Argentina, Australia, Belgium, Brazil, Canada, China, Denmark, France, India, Italy, the Netherlands, the United Kingdom, and the United States. The Government of the United States is represented on the Council by Leslie A. Wheeler, Department of Agriculture, chairman of the International Wheat Council; Leroy K. Smith, Department of Agriculture; Carl C. Farrington, Department of Agriculture; and Edward G. Cale, Department of State.

In June 1942 the Governments of Argentina, Australia, Canada, the United Kingdom, and the United States approved a memorandum of agreement regarding international trade in wheat as a first step toward the conclusion of a comprehensive wheat agreement.² The memorandum of

agreement brought into operation for the war emergency period some of the provisions described in a draft convention which accompanied the memorandum. These arrangements dealt with the establishment of an International Wheat Council; the immediate establishment of a pool of wheat for intergovernmental relief in war-stricken indigent areas; and, pending the determination of more comprehensive international arrangements, an obligation upon the four exporting countries to take such steps as might be necessary to insure that a further accumulation of stocks should not create insoluble problems for a future conference.

The International Wheat Council has, since its first session on August 3, 1942, kept under review the rapidly changing developments in international trade in wheat. Consequent upon these changes, the Council recognized in September 1945 the necessity of revising certain provisions of the memorandum of agreement and the advisability of broadening membership of the Council by inviting other wheat-importing and wheat-exporting countries to participate in its work. Accordingly, the Governments of Belgium, Brazil, China, Denmark, France, India, Italy, and the Netherlands joined the Council at its session on July 15, 1946. At the same time a preparatory committee was established, comprising representatives of each of the 13 member governments, for the purpose of revising the draft convention for submission to an international wheat conference.

The preparatory committee met at frequent intervals during the period from July 17 to December 9, 1946 and twice reported to the Council. The Council at its meeting in December 1946 agreed to consider at its forthcoming fifteenth session a complete draft of an international wheat agreement. It was also decided that, subject to reconsideration at its fifteenth session, the Council should recommend to the Government of the United States that it arrange for an international wheat conference to give final consideration to the proposed international wheat agreement.

¹ Prepared by the Division of International Conferences, Department of State, in collaboration with the Office of Foreign Agricultural Relations, Department of Agriculture.

² BULLETIN of Aug. 1, 1942, p. 670.

Geography and History Assembly in Caracas

Article by André C. Simonpietri

The Fourth General Assembly of the Pan American Institute of Geography and History and the Third Pan American Consultation on Cartography were held concurrently in Caracas from August 22 to September 1 of this year at the invitation of the Government of Venezuela. The joint meetings are considered to be possibly the most important of the Institute to date from the point of view of internal organization and future scientific programs in the Americas.

The Caracas meeting aroused unusual interest for reasons in addition to those connected with the previously announced technical and scientific agenda. It was the first assembly since the war; it was to be the first simultaneous meeting of a consultation sponsored by a commission of the Institute and an assembly of the whole Institute; and the agenda included such important matters as consideration of the creation of a commission on geography and a commission on history, practical application of the latest electronic developments in the field of surveying and mapping, and a complete reorganization of the bylaws of the organization.

Participation in this assembly was broader and more comprehensive than that in any previous meeting. A larger number of official delegates attended, more institutions were represented, and other international organizations took a more active part.

Eighteen of the twenty-one American republics sent delegates to Caracas. Bolivia, the Dominican Republic, and Honduras were not represented for reasons which were extraneous to their relations with the Institute; they were all represented at

previous assemblies and consultations. The Dominion of Canada was invited to take part in a general assembly of the Institute for the first time, in deference to the established custom of inviting that Government to participate in the cartographic consultations. Canada had sent technical delegations to the meetings at Washington and at Rio de Janeiro. Canada participated in the Caracas meeting by naming its diplomatic representative in Caracas as delegate and by sending technical reports on its national mapping program.

Forty governmental agencies, institutions of learning, and private societies, including some of the oldest and most famous in the Americas, were represented at the meeting. The United Nations and the International Union of Geodesy and Geophysics sent delegates to Caracas, and the Inter-American Society of Anthropology and Geography also was represented. The Pan American Union sent a message of good wishes for success.

The United States Government sent delegations to the assembly and to the consultation, since they were two separate, but coordinated, international conferences. The delegations were composed of distinguished scientists and scholars in the various fields of interest of the Institute: anthropology, archives, cartography, geography, geology, and history.

The United States Representatives were as follows:

ASSEMBLY

Chairman

Frank P. Corrigan, U. S. Ambassador, Caracas

Delegates

Samuel W. Boggs, Consultant Geographer, Office of the Special Assistant to the Secretary for Research and Intelligence, Department of State

Allan Dawson,¹ Counselor of Embassy, American Embassy, Caracas

¹ In substitution for John Tate Lanning, professor of Latin American history, Duke University, who was not able to attend the assembly.

Robert H. Randall, Chairman, Commission on Cartography,
Pan American Institute of Geography and History
Joseph T. Singewald, Jr., Chairman, Department of Geol-
ogy, Johns Hopkins University
Arthur P. Whitaker, Professor of History, University of
Pennsylvania

Advisers

Wallace W. Atwood, President, Clark University, Worces-
ter, Massachusetts
Margaret Ball, Specialist, Division of International Or-
ganization Affairs, Department of State
Ralph L. Beals, Associate Professor of Anthropology,
University of California, Los Angeles
Arthur P. Biggs, Geographer, Division of Map Intelligence
and Cartography, Department of State
George Hammond, Professor of Latin American History,
University of California, Berkeley
Roscoe R. Hill, Chief, Division of State Department
Archives, National Archives
Carl O. Sauer, Chairman, Department of Geography, Uni-
versity of California, Berkeley
Irene A. Wright, Acting Attestation Officer, Office of Inter-
national Information and Cultural Affairs, Department
of State

Secretaries

Curtis W. Barnes, Senior Economic Analyst, American
Embassy, Caracas
André C. Simonpietri, Special Adviser, Department of
State

CONSULTATION

Chairman

Robert H. Randall, Chairman, Commission on Cartography,
Pan American Institute of Geography and History

Delegates

Lt. Col. A. G. Foote, Commanding Officer, Aeronautical
Chart Service, Air Transport Command, AAF, War
Department
Capt. Clement L. Garner (retired), Former Chief, Division
of Geodesy, U. S. Coast and Geodetic Survey
Charles B. Hitchcock, Assistant Director, American Geo-
graphical Society; Chairman, U. S. Advisory Com-
mittee on American Cartography
W. B. Johnston, Jr., Chief, Foreign Section, Geological
Branch, U. S. Geological Survey
Comdr. G. F. Kennedy, Officer in Charge, Division of
Chart Construction, Hydrographic Office, Navy Depart-
ment
Col. William H. Mills, Commanding Officer, Army Map
Service, Corps of Engineers, War Department

Adviser and Secretary

André C. Simonpietri, Special Adviser, Department of State

Secretary

Curtis W. Barnes, Senior Economic Analyst, American
Embassy, Caracas

Besides these official representatives, drawn
from both governmental and professional ranks,
many other Federal and institutional organiza-
tions were represented on their own initiative.

The increasing significance which the member
states attach to the activities of the Institute is
evidenced by the size and composition of the official
delegations to this assembly, as compared with
those to the meetings in 1935 and 1941—it being
borne in mind that governments as a rule send
specialists only to meetings which they consider
important.

OFFICIAL DELEGATIONS

Assembly	Total dele- gates named	Host delega- tion	Total delegates named by other member states	
			Scien- tists	Others
Second General Assembly Washington, 1935	39	15	6	18
Third General Assembly Lima, 1941	89	40	24	25
Fourth General Assembly Caracas, 1946	181	74	97	10

Second General Assembly, Washington, 1935

It will be noted that, exclusive of the host gov-
ernment's delegation, 24 delegates were named by
the other member states, and that of these, 18, a
relatively high percentage, represents the members
of the diplomatic missions in Washington who
were named as delegates.

Third General Assembly, Lima, 1941

In this case, 49 delegates were named by the
member states, other than the host government,
and of these, 25 were diplomatic representatives,
nationals of the various countries resident in Lima,
or, in some cases, nationals of the host country. Of
those sent to Lima, 10 were from the United States
and 6 from Mexico.

Fourth General Assembly, Caracas, 1946

The picture changed substantially here for, ex-
cepting the host delegation, very few Caracas resi-
dents were named. The great majority of the dele-
gates were drawn from among the cartographers,
geographers, and historians of the respective coun-
tries. Only three of the smaller nations named

their diplomatic representatives in Caracas as their sole delegates. These and the other diplomats named as members of the various national delegations (ten in all) made valuable contributions to the work of the assembly, in compliance with the express request of the Executive Committee of the Institute that since a reorganization of the bylaws of the Institute was a major item on the assembly agenda, the member states include in their delegations persons of experience in international organization affairs. Three other nations made their chiefs of mission in Caracas, scientists of recognized competence, the chairmen of their delegations. The remaining delegations were headed by cartographers, geographers, or historians, and, in one case, by a jurist of international repute.

The Venezuelan organizing commission was exceptionally thorough in its planning. The new and modernistic Andres Bello High School served as assembly headquarters, providing an auditorium for plenary sessions, spacious salons for individual section meetings, separate offices for the respective delegations, ample quarters for the secretariat, special rooms for the press, post-office facilities, a local branch of the national bank, and a small restaurant for the convenience of the delegates.

Besides the many routine conference secretariat services, such as stenographic, mimeographing, and translating, phonographic recordings were made of all discussions, and a journal of the most important items of interest was distributed daily.

Besides many social events, the program included the inauguration of an exhibition of Venezuelan books (geographic and historic), of which copies were presented to the delegates by the host delegation; visits to the geographical and historical establishments and museums of Caracas; and an exhibition of American cartography, which occupied one entire separate building and which was particularly impressive because of the completeness of the various national collections and of the interesting fashion in which the many maps, sketches, instruments, and other technical apparatus were arranged.

The organizing commission also distributed to all delegates a handsomely bound *Historical Atlas of Venezuelan Cartography* in full folio size, incorporating copies of some twenty-four maps of the country prepared by the most famous Euro-

pean explorers and a recent map by Venezuelan cartographers, covering the years from 1635 to 1946.

More than one hundred papers, abstracts of papers, and specific project proposals were presented in the course of the meetings of the four sections. Nearly all delegations made brief written reports on their cartographic progress since the 1944 consultation; some of these were printed and distributed to the various delegations. The U. S. Joint Committee on Latin American Studies made available copies of a recent report on *The National Archives of Latin America*, which carried on its title page a dedication to the Institute "in recognition of its past accomplishments and potential achievements". Other delegations brought motion-picture films, with sound accompaniment, illustrative of various phases of national life of interest to geographers and historians. The Commission on Cartography exhibited its latest color training film on "Reconnaissance Mapping by Trimetrogon Photography".

Prior to this assembly, the Institute, through its Commission on Cartography, has had a more active program in that field than in history or in other phases of geography. Its activities in the two latter fields have been confined mostly to the preparation of three regular reviews, one each in geography, history, and anthropology; the publication of individual monographs on a wide variety of subjects; and some assistance in specific projects. Therefore, the geographers and historians at Caracas proposed to stimulate progress in these sciences. Owing to their efforts and plans, a Commission on Geography and a Commission on History were established and from now on will provide active programs in those fields.

During the past few years, when more attention has been drawn to the Institute by virtue of the program of the Commission on Cartography, some of the member nations have felt that the statutes originally drawn up at the First Assembly in Rio de Janeiro, 1932, were inadequate for present-day operations and that, in fact, certain essential considerations were lacking, such as: (a) an interim governing body providing adequate and equal representation for all member states—the Executive Committee had only a chairman, vice chairman, and two members; (b) the proper suc-

cession of authority within the Executive Committee itself—the 17 substitute members were not eligible to fill the vacancies of the chairman or vice chairman; and (c) a close relationship between the Executive Committee and the day-to-day operations of the Institute. These and other deficiencies are corrected by the new bylaws.

The national committees, as envisioned by the creating resolution of the Sixth International Conference of American States, Habana, 1928, have been, with few exceptions, inactive. They are reactivated by the new bylaws and will henceforth be known as national sections of the Institute.

The matter of an adequate retirement system for Institute personnel was also given consideration and the Executive Committee was charged with taking the necessary steps.

Accordingly, many consider the fourth assembly to be the most significant yet held because of the fact that as a result of its work the Institute has been reorganized, its external and internal relations reoriented, and more definite programs set up in the scientific fields of its interest.

The final act of the assembly, as distributed by the Government of Venezuela in an impressively printed volume, contains the delegation lists, the officers and committees of the conference, and the final decisions in the form of resolutions.

Resolution I adopts new bylaws. These call for more intimate relationships as between the member governments and the organization itself and provide new mechanisms to govern the Institute's increasing activities. A brief description of these bylaws is given later in this text.

Resolution II embodies the 48 separate resolutions on technical matters adopted by the Consultation on Cartography, operating as the first section of the assembly. The most significant of these deal with the establishment of standards of accuracy for geodetic operations, for topographic maps, and aeronautical charts and represent the culmination of three years of study and discussion. They also recommend the establishment of hydrographic services in those countries which do not have such agencies at this time. They lay the groundwork for collaborative action of the Commission on Cartography and its committees with certain existing international organizations, such as the Inter-

national Union of Geodesy and Geophysics and the International Hydrographic Bureau. In addition to the separate reports presented by the respective national delegations on their current surveying and mapping progress and programs, some twenty-one technical papers on cartographic matters are recommended for publication.

Resolution IV confirms the creation of the new Commission on Geography, an action taken originally by the Executive Committee at its April 1946 meeting in Mexico City.

Other geographic resolutions, the work of the second section of the assembly, deal with the creation of geographic and cartographic institutes in those countries where none exist today. They recommend soil-erosion investigation, geontomologic studies, the surveying of forest zones, the creation of national-park areas and of phytogeographic centers, and an intensification of the study of seismology and of geographic names. They also deal with aids to census operations, in connection with the joint program of the Pan American Institute of Geography and History and the Inter-American Statistical Institute, in preparation for the 1950 census of the Americas. They urge the exchange of information between the various national geographic societies, the establishment of special courses in the universities and colleges, and the revision of textbooks by the national sections of the Institute before their official adoption. They recommend collaboration with the International Geographic Union. They list, by title and author, a number of geographic papers presented to the assembly which are recommended for publication in the proceedings.

Resolution XXVII creates the new Commission on History and sets forth its program in detail.

Other historical resolutions of the third and fourth sections deal with the many phases of that science, such as anthropological, archeological, and archival matters. They are concerned with the establishment of historical courses in the schools, the revision of textbooks, the exchange of professors, the creation of centers of historical studies, the formation of an adequate body of reference material of various types and the organization of properly housed and endowed national archives, the publication of rare historical works, and the implementation of pertinent resolutions

of a number of previous international conferences, representing detailed study of the proceedings of the latter and a desire to refresh all on their significance, content, and relation to the Institute's program. As in the case of the other sections, certain historical papers presented to the assembly are recommended for publication.

The two new commissions are to be similar in organization to the Commission on Cartography and will have one representative from each nation, a traveling secretary to maintain liaison between the respective national members and the central office, and such committees as are found to be necessary.

Brazil's offer to sponsor the initial period of operation of the Commission on Geography by placing an adequate budget at its disposal was accepted, and Christovam Leite de Castro, Secretary General of the National Council of Geography of Brazil, was named interim chairman of the new commission. Much of the discussion time of the Section on Geography was devoted to consideration of the internal structure and scope of activity of the new commission. Delegates from the other American republics emphasized their preoccupation over the relatively slow development of the science in their own countries and were particularly desirous that the commission's program include such matters as textbook preparation and the enlargement of present school curricula.

The Mexican Government offered its sponsorship to the Commission on History and, as a result, the Mexican member of that commission, Silvio Zavala, will be its chairman for the interim period. Mr. Zavala has been editor of the *Revista de Historia de América* of the Institute since its foundation in 1938 and is a distinguished member of the faculty of the National Institute of Anthropology and History. Other governments were interested in sponsoring this new commission and the relative merits of their respective proposals were considered in some detail, the final solution being that Venezuela, Argentina, Peru, and Cuba, in that order, were authorized to sponsor separate committees of the commission.

The interim chairmen of the commissions will hold office until the other nations name their respective members on those bodies and the latter can meet and select chairmen.

Prior to the convening of the assembly, there

was some support for a commission on anthropology and a commission or committee on seismology, but no action was taken in either case, other than to urge the interested commission to take the steps compatible with the current demonstrated need for such bodies. The future geographic and historical programs of the Institute were considered by two separate groups of interested United States scholars in the fall of 1945, under the auspices of the American Council of Learned Societies and the Conference Board of Associated Research Councils. Brazil's desire to sponsor a commission on geography was known at that time, as was the general interest in a commission on history and less broad concern in the establishment of similar bodies in other fields. The findings of these conferences were, in effect, crystallized by action of the Executive Committee of the Institute at its April 1946 meeting in Mexico City, where it was decided that caution should be exercised in the creation of new bodies. The Committee's action was restricted to the creation of a commission on geography and recommendation to the Assembly that the latter decide concerning a commission on history.

As a result of the creation of the new commissions, it is expected that the scientific life of the Institute will be carried out from now on in a very active sense by the three commissions. It is anticipated that their activities will more and more penetrate into the scientific, technical, and academic life of the member nations, bringing the scientists and scholars into closer touch with each other and thus giving them the benefit of their mutual experience. Future assemblies will be simultaneous consultative meetings of the three commissions or consultations on cartography, geography, and history, together with the regular standing committees on organization, finance, and resolutions.

The Institute now has commissions on cartography, geography, and history. The first inherits the surveying and mapping activities of the first division on geography; the second, the remaining geographic activities of the Institute; and the third, the entire historical program, including anthropological, archeological, archival, and related activities. Other commissions may be created as the need arises. The existing commissions may establish the committees and subcom-

mittees deemed desirable, and will meet at one-to-two year intervals in consultations. They will continue to bring out the three current reviews of the Institute, *Revista de Historia de América*, *Boletín Bibliográfico de Antropología Americana*, and *Revista Geográfica*, and will see to it that future monographs and other publications are integrated with their respective programs.

In the future the headquarters of the Institute at Mexico City will be known as the General Secretariat. It will provide the focal point of all operations and will be of particular value because the seats of the various commissions will move in accordance with the residence of their respective chairmen. The Secretariat will serve the various organs of the Institute and assist in the coordination of their activities.

Prior to this time, the Mexico City headquarters have been under a director, Pedro C. Sánchez, the first named to the post. In deference to his great service and devotion to the Institute, the Assembly designated him director for life. The post of Secretary General was created to provide a person to head the staff of the organization. The new statutes specify that the present director should serve as adviser and counselor.

The Committee on Finances reported to the Assembly its findings that the present quotas, established in the early thirties during a world depression and when the Institute's possibilities were as yet unknown, are inadequate today. It recommended, however, that no change be effected at this time, pending action by the Ninth International Conference of American States to be held next year at Bogotá, which will consider the problem of arriving at an equitable system of quota payments for all official inter-American organizations. The Resolutions Committee and the Assembly, in plenary session, accepted this recommendation together with the interim arrangement that the various member states make special contributions to defray the cost of operations of the three commissions, pending the time when one quota could be established for all Institute activities.

In the short period of the General Assembly, much was accomplished both from the organizational point of view, one of the two major functions of the General Assembly, and in matters pertaining to the elaboration of a long-range

program of scientific endeavor. Some who attended the sessions felt that an undue amount of time was given to such matters, to the detriment of a broader discussion of the announced scientific agenda. The majority, however, seemed to be of the opinion that the new statutes and the new commissions were the more important at this critical moment, when new international and global organizations are being created for the purposes of peace and a greater cultural interchange and understanding. There have been profound changes in the world's evaluation of international organizations within the past few years, necessitating a stock-taking on the part of those already established, which was done by the Pan American Institute of Geography and History at its meeting in Caracas.

The Third Consultation on Cartography, as were its predecessors, was an international conference on surveying and mapping and was conducted as an open meeting of the Commission on Cartography. The announced program of this first section of the Assembly was very closely followed. Internal matters of the Commission on Cartography were discussed in evening sessions, allowing the full time of the morning and afternoon sessions to be devoted to the consideration of new developments and techniques and to the establishment of uniform standards of accuracy.

The Pan American Institute of Geography and History has entered into a period of real significance for the sciences of geography and history in the Americas. Its well-wishers are many. It is a healthy sign, indeed, and one that augurs well for an organization, when nations vie with each other for the honor of sponsoring its new scientific organs or of being the seat of its next meetings, as they did at Caracas in regard to the Institute.

Santiago, Chile, will be the seat of the Fifth Assembly in 1950. Buenos Aires will be the seat of the Fourth Consultation on Cartography in 1947. Cuba has already put in her bid for the Fifth Consultation on Cartography in 1948 but it may have strong rivalry from other nations. The dates and places of meeting of the First Consultation on Geography and the First Consultation on History have not yet been designated, but they may conceivably be held in Brazil and Mexico in 1947 and will most certainly be held not later than 1948.

THE RECORD OF THE WEEK

Proposed Charter for International Trade Organization

INFORMAL PUBLIC HEARINGS TO DISCUSS CHARTER

[Released to the press January 2]

The Department of State announced on January 2 that a series of informal hearings will be held for the purpose of affording all interested persons and groups an opportunity to present their views regarding the proposed charter for an International Trade Organization.¹

The proposed ITO charter, on which the hearings will be held, was prepared by the Preparatory Committee on Trade and Employment at its first meeting in London, October 15–November 26, 1946. This Committee was created by the Economic and Social Council of the United Nations by resolution of February 18, 1946 and consists of the following countries: Australia, Belgium, Brazil, Canada, Chile, China, Cuba, Czechoslovakia, France, India, Lebanon, Luxembourg, Netherlands, New Zealand, Norway, South Africa, Union of Soviet Socialist Republics, United Kingdom, and the United States.

The Preparatory Committee used as the basis for its work at London a text developed by experts within the United States Government and published by the Department of State in September 1946 under the title of *Suggested Charter for an International Trade Organization*.² Both the *Suggested Charter* and the new text issued by the Preparatory Committee are based on the fundamental principles of expanded trade and enlarged employment set forth in the *Proposals for Expansion of World Trade and Employment* presented by the Government of the United States in December 1945 for consideration by the governments and peoples of the world.

The Preparatory Committee will meet again in Geneva, Switzerland, beginning April 8, 1947, at

which time it will complete its work on the proposed charter with a view to making definite recommendations to a general international conference on trade and employment to be held later. The instrument emerging from the general international conference will be submitted to the Congress of the United States.

The hearings announced on January 2 are intended to assist the interested agencies of the United States Government to obtain a full expression of American opinion in preparing for the Geneva meeting of the Preparatory Committee. These hearings will be conducted under the auspices of the Executive Committee on Economic Foreign Policy, which consists of representatives of the Departments of State, Treasury, Agriculture, Commerce, and Labor and the United States Tariff Commission. The chairman of the committee is Willard L. Thorp, Assistant Secretary of State for economic affairs.

It should be noted that the hearings on the proposed charter are separate and distinct from the hearings to be conducted, beginning January 13, 1947, by the Committee for Reciprocity Information in connection with reciprocal trade-agreement negotiations.

The hearings on the proposed charter will be held at the following times and places:

Washington, D. C., Room 474, Department of State, Seventeenth Street and Pennsylvania Avenue NW., beginning at 10:30 a.m., E.S.T., February 25, 1947.

Boston, Mass., beginning at 10:30 a.m., E.S.T., March 3, 1947 at a place to be announced later by the Boston office of the Department of Commerce.

Chicago, Ill., beginning at 10:30 a.m., C.S.T., March 3, 1947 at a place to be announced later by the Chicago office of the Department of Commerce.

¹ For text of proposed charter, see Department of State press release 937 of Dec. 30, 1946.

² Department of State publication 2598.

New Orleans, La., beginning at 10:30 a.m., C.S.T., March 3, 1947 at a place to be announced later by the New Orleans office of the Department of Commerce.

San Francisco, Calif., beginning at 10:30 a.m., P.S.T., March 10, 1947 at a place to be announced later by the San Francisco office of the Department of Commerce.

Denver, Colo., beginning at 10:30 a.m., M.S.T., March 10, 1947 at a place to be announced later by the Denver office of the Department of Commerce.

All persons desiring to present oral views at these hearings should inform the Executive Secretary, Executive Committee on Economic Foreign Policy, Room 133, Department of State, Washington, D.C., in writing, by February 1, 1947. Each letter should state at which of the places listed above the writer wishes to present his oral views. All persons desiring to present oral views will be advised by the Executive Secretary regarding the

time of their individual appearances. The meetings will be open to the public and the press.

Views in writing regarding the proposed charter for an International Trade Organization should be transmitted to the Executive Secretary of the Committee, Room 133, Department of State, Washington, D.C., preferably before February 1, 1947 and in any event not later than March 1, 1947. It would be of assistance to the Committee if persons submitting written views could supply 10 copies.

A preliminary mimeographed draft of the text of the proposed ITO charter on which views are solicited accompanies this notice. A printed copy of the text, together with appropriate explanatory material from the report of the first meeting of the Preparatory Committee, will be made available shortly upon publication of the report. Copies of these documents may be obtained from the Department of State, Washington, D.C., or from district offices of the Department of Commerce.

SUMMARY OF PROVISIONS OF PROPOSED CHARTER

[Released to the press January 2]

I—INTRODUCTION

In September 1946, the United States Government published a *Suggested Charter for an International Trade Organization* of the United Nations. The *Suggested Charter* was submitted to the Preparatory Committee of the International Conference on Trade and Employment (created by the Economic and Social Council of the United Nations), which held its first meeting in London between October 15 and November 26, 1946. The Preparatory Committee used the *Suggested Charter* as the main basis for its discussions.

Acting as a group of experts, without committing the governments represented, the Preparatory Committee agreed to texts of draft articles with respect to about 85 percent of the provisions which might be included in a charter for an International Trade Organization. In the case of other provisions no specific action was taken because of the shortage of time.

The following is a summary of the text of a re-drafted charter for an International Trade Organization consisting of (a) articles agreed upon at the London meeting of the Preparatory Com-

mittee and (b) in cases where the Committee took no specific action, articles appearing in the *Suggested Charter* originally put forward by the United States. Statements summarizing the latter articles are shown in square brackets.

II—THE CHARTER AS A WHOLE

The ITO charter seeks to accomplish five main things: (1) to promote the maintenance of employment in member countries; (2) to promote the economic development of member countries; (3) to bring about the general relaxation and regulation of barriers to world trade, whether such barriers are imposed by governments or private organizations; (4) to provide an orderly procedure under agreed rules for the negotiation of inter-governmental commodity arrangements; and (5) to create permanent international machinery for consultation and collaboration in trade and related matters.

The provisions of the charter are set forth in 8 chapters and 89 articles, as follows:

[Chapter I—Establishes the broad purposes of the International Trade Organization (article 1)]

Chapter II—Regulates membership in the Organization (article 2)

Chapter III—Provides for the maintenance of employment, the development of resources and productivity, and the promotion of labor standards (articles 3 through 9)

Chapter IV—Provides for the promotion of the industrial and general economic development of member countries (articles 10 through 13)

Chapter V—Provides for the reduction of governmental barriers of all kinds and for the elimination of trade discriminations (articles 14 through 38)

Chapter VI—Provides for concerted action to eliminate restrictive business practices in international trade (articles 39 through 45)

Chapter VII—Regulates the making of inter-governmental commodity agreements (articles 46 through 60)

Chapter VIII—Creates the machinery for an International Trade Organization to facilitate the operation of the charter and to promote continuing international cooperation in trade and related matters (articles 61 through 89)

III—SUMMARY OF DETAILED PROVISIONS

Chapter I—Purposes

[Chapter I sets forth the broad purposes of the ITO. These are: to promote the cooperative solution of trade problems; to expand opportunities for trade and economic development; to aid the industrialization of underdeveloped countries; and in general to promote the expansion of the production, exchange and consumption of goods, the reduction of tariffs and other trade barriers, and the elimination of trade discriminations.]

Chapter II—Membership

Chapter II looks toward broad membership in the organization. It provides for two general categories of members: original members and other members. Original members would be all those countries which are represented at the proposed International Conference on Trade and Employment and which accept the ITO charter by a certain date. Other countries would be brought in with the approval of the organization after it had become established.

Chapter III—Employment

Chapter III recognizes that the maintenance of employment and of high and rising demand for

goods and services are essential to achieve the purposes of the ITO and, reciprocally, that measures to promote employment and demand should be consistent with these purposes. Accordingly, each member of the ITO would agree to take action designed to achieve and maintain employment and demand within its own jurisdiction through measures appropriate to its political and economic institutions; and to participate in arrangements for the collection, analysis, and exchange of information on employment problems and in consultations on employment policies.

The Economic and Social Council would have the responsibility for furthering the employment objectives of the charter. These matters are placed under the Economic and Social Council rather than under the ITO because the Council has been given the broad function of promoting full employment by the Charter of the United Nations, and also because the Council, by virtue of its authority to coordinate the many specialized international agencies whose activities contribute to the maintenance of employment, is better fitted for this work than the ITO.

Chapter III also provides that members will take action designed to develop their economic resources and raise their standards of productivity; will take such action as may be appropriate and feasible to eliminate substandard labor conditions; and will cooperate in action designed to remove fundamental maladjustments in balances of payments.

Chapter IV—Economic Development

Chapter IV recognizes the importance of bringing about the industrial and general economic development of all countries, particularly underdeveloped countries. Accordingly, members would undertake to promote their own development and would agree to cooperate, through the Economic and Social Council of the United Nations and by other means, to promote industrial and economic development generally. Members would agree on the one hand not to put any unreasonable restraints on the export of facilities, such as capital and equipment, which are needed for the economic development of other countries, and, on the other hand, not to take any unreasonable action injurious to foreign investors who are supplying facilities for development. It would be recognized that governmental assistance,

including protective measures, may be needed in some cases to promote the establishment of particular industries; at the same time it would also be recognized that the unwise use of protection will frustrate sound development and damage international trade. Protective measures which run contrary to the provisions of chapter V of the charter (relating to the relaxation of trade barriers) may not be used except with the specific approval of the organization and, in appropriate cases, with that of countries whose trade may be directly affected.

Chapter V—General Commercial Policy

Chapter V, the longest in the charter, provides for the reduction or elimination of governmental barriers to international trade. Broadly, these barriers take the form of excessive customs regulations of all kinds; tariffs; embargoes and quotas; exchange restrictions on trade; governmental subsidization of production or exports; restrictive practices by state-trading enterprises; and the discriminatory application of trade barriers and controls generally.

Chapter V contains provisions relating to all these types of trade barriers and to connected matters. The chapter is divided into ten sections, as follows:

SECTION TITLE WITH SHORT DESCRIPTION OF SECTION

Section A (General commercial provisions)

Establishes equality of treatment in trade generally. [Eliminates or regulates various administrative devices which hamper imports or discriminate in trade. Requires full publication of trade regulations and advance notice of restrictive regulations.]

Section B (Tariffs and preferences)

Requires reciprocal negotiations for the substantial reduction of tariffs and for the elimination of import tariff preferences.

Section C (Quantitative restrictions)

Eliminates quotas and embargoes on trade in general, but permits them for agreed purposes under defined circumstances.

Section D (Exchange restrictions)

Provides that exchange restrictions on trade shall not be permitted to frustrate the ITO charter.

Section E (Subsidies)

Requires that subsidies affecting trade be reported to the ITO; that those seriously prejudic-

ing trade be subject to negotiated limitation; and that export subsidies in general be eliminated except under defined circumstances.

Section F (State trading)

Requires that state trading enterprises be operated in a non-discriminatory manner; that state monopolies of individual products negotiate for the reduction of protection afforded to domestic producers; [and that complete state monopolies of all foreign trade agree to maintain total imports of all products at a level to be negotiated periodically].

Section G (Emergency provisions—Consultation—Nullification or impairment)

Permits withdrawal or modification of tariff or other concessions in case of serious injury to domestic producers; provides for consultation with ITO on all phases of chapter V; permits members to withdraw concessions from countries which do not live up to obligations of charter.

Section H (Relations with non-members)

[Prohibits agreements with non-members promising them benefits of charter; prevents members, after an initial period, from extending tariff concessions to non-members without ITO approval.]

Section I (Exceptions)

[Excerpts from chapter V measures usually excepted from commercial agreement (e.g. sanitary regulations, traffic in arms, and the like).]

Section J (Territorial application)

Applies chapter V to customs territories of members; permits special advantages to promote frontier traffic or arising out of customs unions.

Chapter VI—Restrictive Business Practices

Under chapter VI members of the ITO would agree to take appropriate individual and collective measures to eliminate restrictive business practices in international trade whenever they have harmful effects on the expansion of trade or on any of the purposes of the ITO. The chapter specifies certain practices which would be subject to investigation with a view to their elimination. Among these practices would be those which fix prices, allocate markets or customers, boycott or discriminate against enterprises outside the arrangement, limit production, suppress technology, and improperly use patents, trade-marks, and copyrights.

In order to carry out this policy a complaint procedure would be set up for taking action against particular instances of restrictive business practices. Under this procedure the ITO would receive complaints from a member, or from persons or business organizations within a member's territory, that a particular business arrangement is restricting international trade with harmful effects. If the ITO found that the complaint was justified, it could recommend that members take appropriate remedial action.

Members would agree to cooperate with the ITO in eliminating restrictive business practices. Among other things, they would agree to obtain and furnish to the ITO information needed by it in connection with particular investigations; to consult with the ITO regarding complaints which had been filed; and to take fullest account of ITO recommendations in initiating action to eliminate particular restrictive arrangements.

Chapter VII—Intergovernmental Commodity Arrangements

Chapter VII recognizes that in the case of certain commodities, usually primary agricultural products, special difficulties, such as a world surplus, may arise which would warrant the adoption of intergovernmental commodity agreements, including those which regulate production, trade, or prices. Such agreements would have to be consistent with certain general objectives and would need to satisfy certain conditions.

Regulatory commodity agreements would be justified if necessary (1) to enable countries to solve difficulties caused by surpluses without taking action inconsistent with the purposes of the charter, (2) to avoid the serious distress to producers or labor caused by surpluses when production adjustments cannot be made quickly enough because of the lack of alternative employment opportunities, and (3) to provide a working arrangement for a transitional period during which measures may be taken to increase consumption of the surplus product or to facilitate the movement of resources and manpower out of the production of the surplus product into more remunerative lines.

It would be required that the members concerned must formulate and adopt a program of economic adjustment designed to make progress toward solving the basic problem which gave rise to the pro-

posal for a regulatory commodity agreement; that such agreements be open initially to all ITO members on equal terms and that they afford equitable treatment to all members (including those not participating in the agreement); that they provide for adequate representation by members primarily interested in the commodity as consumers, and give consuming countries an equal vote with producing countries in deciding matters such as the regulation of prices, trade, production, stocks, and the like; that, where practicable, they provide for measures to expand consumption of the commodity in question; that they assure supplies of the product adequate to meet world demand at reasonable prices; and that they make appropriate provision to satisfy world consumption from the most effective sources of supply.

Provision is made that full publicity must attend all important stages in the making of intergovernmental commodity agreements.

Chapter VIII—Organization

Chapter VIII of the charter sets forth the functions and structure of the ITO and relates them to the substantive undertakings of members provided for in the earlier chapters.

Functions. The functions of the ITO largely relate to its responsibilities in connection with chapter V (Commercial Policy), chapter VI (Restrictive Business Practices), and chapter VII (Commodity Agreements). In addition to functions of this kind, the ITO would be authorized to provide assistance and advice to members and other international organizations in connection with specific projects of industrialization or other economic development; to promote international agreements such as those designed to facilitate the international movement of capital, technology, art, and skills and those relating to commercial travelers, commercial arbitration, and the avoidance of double taxation; and to cooperate with the United Nations and other organizations on economic and social matters and on measures to maintain peace and security.

Structure. The principal organs of the ITO would be a Conference; an Executive Board; a Commission on Commercial Policy, a Commission on Business Practices, and a Commodity Commission; and a Secretariat.

The Conference. The governing body of the ITO would be the Conference on which each coun-

try belonging to the ITO would be represented. The decisions of the Conference on most matters would be taken by a simple majority vote of the members present and voting, each country casting one vote.¹ The Conference would have final authority to determine the policies of the ITO. It would be authorized to make recommendations regarding any matter relating to the purposes of the ITO and to elect the members of the Executive Board.

Interim Tariff Committee. An Interim Tariff Committee within the ITO would be charged with the function of authorizing members to withhold, if necessary, tariff reductions from other members which failed to meet their obligations to negotiate for the substantial reduction of tariffs and the elimination of preferences. The Committee would consist of those members of the ITO which had already fulfilled these requirements among themselves.² Other members of the ITO would be entitled to join the Committee upon the completion by them of adequate negotiations regarding tariffs and preferences. All decisions of the Committee would be taken by majority vote, each member casting one vote.

Executive Board. The Executive Board would consist of fifteen members of the ITO elected by the Conference every three years. [Note: Under alternative drafts of the appropriate article permanent membership on the Board by members of chief economic importance would be provided for.] Decisions of the Board would be taken by a majority of the members present and voting, each country casting one vote. The Board would be responsible for executing the policies of the ITO and for exercising powers delegated to it by the Conference. It would be authorized to make recommendations to members of the ITO, to the Conference, and to other international organizations.

The Board would be required to provide adequate machinery to review the work of the ITO as it relates to industrialization and other economic development.

The Commissions. The Commission on Commercial Policy, the Commission on Business Practices, and the Commodity Commission would be established by the Conference and would be responsible to the Executive Board. The Conference would be authorized to establish any other commissions which might in time be required.

The Commissioners would be expert persons appointed by the Board in their personal capacities. The chairman of the Commissions could participate, without vote, in the meetings of the Board and of the Conference. Other international organizations having a special interest in the activities of one of the commissions might be invited to participate in its work.

The functions of the three commissions are concerned largely with the making of recommendations to the Executive Board relating to the discharge of the ITO's responsibilities in the three specialized fields. In addition, the commissions would perform any other functions assigned to them by the Conference or the Board, including such functions in connection with the settlement of disputes as the Board might deem appropriate.

Secretariat. The Secretariat of the ITO would consist of a Director General and such staff as might be required.

The Director General would be appointed by the Conference upon the recommendation of the Board. He could participate in the deliberations of the Board, the Conference, and the commissions and initiate proposals for consideration by any organ of the ITO.

Miscellaneous provisions. These provisions largely parallel similar provisions in the constitutions of other international organizations. They deal with relations between the ITO and other organizations, the international responsibilities of the staff of the ITO, legal capacity of the ITO, privileges and immunities of the ITO, amendments to the charter, interpretation and settlement of legal questions, contributions of members, entry into force of the charter, and withdrawal from the ITO and termination of the charter.

¹ A minority of the Preparatory Committee favored the use of a system of weighted voting in the Conference.

² Initially, the Interim Tariff Committee would consist of those members which had made effective the agreement for concerted reduction of tariffs and trade barriers which it is hoped will be concluded by the countries already invited by the United States to negotiate for this purpose. It is contemplated that the agreement would incorporate schedules of tariff concessions and certain of the provisions of chapter V of the charter (e.g. those relating to most-favored-nation treatment, to national treatment on internal taxes and regulations, to quantitative restrictions, etc.).

Relaxation of Restrictions Against Business and Commercial Communication With Germany and Japan

[Released to the press by the Treasury Department January 2]

The State and Treasury Departments announced on January 2 the issuance of Public Circular No. 34 relaxing certain wartime restrictions against business and commercial communication with Germany and Japan. This action was made possible by the decision of the Allied Control Council in Germany that postal communications limited to the ascertainment of facts and the exchange of information should be permitted between Germany and other countries. Similar action has been taken with respect to Japan by the Supreme Commander for the Allied Powers. It was stated, however, that all communications will be subject to censorship in Germany and Japan. Under the regulations in effect in Germany, correspondence with Germans relative to German external assets, even of a simple, informational character, will not be passed by censorship. A similar restriction is in effect in Japan. In addition, telecommunication service with Japan with similar limitations as to content of communications has now been opened, with the provision that payment for messages be made in dollars.

Examples of communications which may freely be exchanged are reports concerning the status of property located in Germany and Japan, information with respect to trade prospects, and other messages looking toward the resumption of business relations with Germany and Japan. The transmission of documents, such as birth, death, or marriage certificates, wills, legal notices, etc., is also authorized under this action.

Existing prohibitions on transactional communications will continue in effect in Germany, Japan, and the United States. These prohibitions include any communication which constitutes or contains authorizations or instructions to effect any financial, business, or commercial transaction, as well as the transmission of powers of attorney, proxies, payment instructions, transfer orders, checks, drafts, bills of exchange, currency, money orders, and the like.

Although inquiries with respect to possible trade relationships, such as the nature, quantity, and availability of goods, are authorized by this action, attention was directed to the fact that any trade transactions arising out of such communications must be effected through governmental agencies. Private commercial transactions will be authorized when arrangements for resumption of private trade have been made.

It was pointed out that, except for the activities authorized under Public Circular No. 34, any financial, business, trade, or other commercial activity on behalf of enemy nationals who are within Germany and Japan continues to be prohibited. Outstanding Treasury general licenses do not authorize any transactions which involve business or commercial communication with Germany or Japan unless they contain a waiver of General Ruling No. 11.

A separate announcement is being made by the Post Office Department with respect to the postal facilities now open between Germany, Japan, Korea, and the United States. Announcement will also be made of any changes affecting the presently authorized weight of postal communications.

Radio Broadcast on the International Trade Organization

The Economic and Social Council of the United Nations resolved to call an international conference on trade and employment to consider setting up an International Trade Organization. A preparatory committee of 18 nations was appointed to arrange for such a conference, prepare its agenda, and draft a charter for the proposed organization. This preparatory committee recently ended its first meeting in London.

On January 4 a broadcast was made reporting on the London meeting by Clair Wilcox, Director of the Office of International Trade Policy of the Department of State, who headed the U.S. Delegation. Interviewing Mr. Wilcox was CBS correspondent Robert Lewis. For a complete text of the radio program, see Department of State press release 4 of January 3, 1947.

Deposit of Shares in Yugoslav Stock Companies for Conversion and/or Registration

[Released to the press December 31]

The Department of State again calls the attention of United States citizens holding shares in Yugoslav corporations to the provisions of the Yugoslav decree published June 21, 1946 in "The Official Gazette of the Federal People's Republic of Yugoslavia" requiring American holders of such shares to deposit them for conversion and/or registration with the Yugoslav Embassy at Washington.

Although the deposit was supposed to have been made by December 21, 1946, it is suggested that American owners who have not already deposited their shares should immediately communicate with the Yugoslav Embassy, 1520 Sixteenth Street, Washington, D.C., regarding their holdings, since it is possible that the Embassy may still be willing to accept registration.

Three Rubber Purchasing Agreements Expire

[Released to the press December 31]

The rubber purchasing agreements with Ecuador, Haiti, and Bolivia will expire on December 31, 1946, the Department of State announced on that date.

The Government of the United States during 1942 concluded exclusive rubber purchasing agreements with 17 of the rubber-producing countries of the Western Hemisphere to facilitate production and purchase of natural crude rubber and its importation into the United States.

The agreements were of an intergovernmental nature, with the Rubber Development Corporation acting as the U. S. Government agency responsible for their implementation.

With the exception of Venezuela, all agreements originally provided for December 31, 1946 as the expiration date or for earlier cancellation by mutual consent. In April 1945 the United States offered to extend the agreements to June 30, 1947. Twelve countries agreed to the extension.

The offer of further extensions was withdrawn in August 1945, owing to the end of the war. Because of the mutual cancellation provisions, the

agreements with Guatemala, El Salvador, Honduras, and British Honduras have been canceled. The Venezuela agreement expired October 12, 1946. Those with Ecuador, Haiti, and Bolivia expire December 31, 1946.

The remaining nine agreements, with Peru, Colombia, Brazil, Costa Rica, Nicaragua, Panama, Mexico, British Guiana, and Trinidad and Tobago, will remain in effect until June 30, 1947 unless canceled before that time by mutual consent.

Extension of Food-Supply Agreement With Haiti

[Released to the press January 3]

The Institute of Inter-American Affairs announced on January 3 that William C. Brister, vice president in charge of its Food Supply Division, has signed with the Government of Haiti at Port-au-Prince an extension of the Institute's food-supply agreement for assistance to Haitian agriculture.

The extension agreement provides that Institute technicians will continue their cooperation with Haitian agricultural authorities until June 30, 1948. For this period of joint operations the United States will contribute \$50,000 and technical and administrative assistance with a value of approximately \$150,000, while Haiti's contribution will be \$175,000. This schedule of contributions represents a pattern of gradually decreasing United States financial assistance and increasing responsibility by the local government in the program.

The Cooperative Food Mission initiated its activities in Haiti in 1944 in order to rehabilitate lands used in an emergency effort to produce rubber. In the achievement of this objective, Haitian rural families affected by the rubber project were assisted in restoring their lands to production of food crops during the first year of the mission's program. Tools and seeds were distributed, and nurseries for the growth of fruit trees were established.

The emergency rehabilitation project was, however, only the first phase of operations, since in addition to this aspect of the program, water resources have been developed, livestock improvement has been studied, soil-conservation projects have been installed, and grain-storage facilities have been established. Moreover, under the mis-

sion's training program a number of young Haitian technicians have received instruction in advanced agricultural methods in the United States and Puerto Rico. In short, this cooperative action program provides a useful medium whereby U.S. technicians in joint collaboration with their Haitian colleagues are demonstrating in a practical way how American agricultural methods and techniques can be usefully adapted to the requirements of that country.

The extension of the agreement will permit continuation of the mission's recent emphasis on Haiti's long-run agricultural needs, and on the training of local agricultural experts qualified to supervise activities of this type when the present program terminates.

Responsibility for Administration of Libraries in Mexico, Nicaragua, and Uruguay

[Released to the press January 21]

The Department of State announced that as of January 1, 1947 it will undertake the administration of the program under which the popular United States - supported libraries are operated at Mexico, D.F.; Managua, Nicaragua; and Montevideo, Uruguay.

The three libraries were established in 1942 and 1943 by the former Office of the Coordinator of Inter-American Affairs for the purpose of promoting a better understanding of the United States in the other American republics.

The responsibility for administering the libraries was assigned to the American Library Association under Government contract to avoid establishing similar Government facilities which would have been necessary to provide professional administration and service required for daily operation.

With the establishment on January 1, 1946 of a division within the Department of State charged with the peacetime management and servicing of the United States Information Libraries established in the Eastern Hemisphere during the war by the former Office of War Information, it became apparent that the three libraries operating in Latin America could be administered more economically by the Department of State by utilizing facilities already in operation for another but identical purpose. An offer of the American Li-

brary Association to terminate its contract arrangements for the administration of the American Libraries at Mexico, D.F., Managua, and Montevideo, was therefore accepted by the Department as of December 31, 1946.

Under the administration of the Department the three libraries will operate precisely as they have under the American Library Association, which has been requested to continue its overseeing of the library program in Latin America in a professional advisory capacity. They will remain integral parts of the three communities under local boards of directors appointed jointly by the American Library Association and local authorities.

Library policies and programs in Latin America will continue to provide library service of the required excellence based upon book collections which will bring together accurate information about the United States and the American way of life.

These three libraries attract over 485,000 readers annually. In addition to answering thousands of reference questions about the United States and lending over 241,000 books every year, they procure for local scholars books obtainable only in certain libraries in the United States. They place microfilm requests on behalf of Latin American scholars with the Library of Congress, the National Research Council, and with various United States universities. They provide libraries in the United States with information on Latin American publications and also sponsor a variety of public programs, exhibitions, and lectures, in addition to offering film showings, concerts, and art exhibits.

Visit of Italian Prime Minister

His Excellency Alcide de Gasperi, Prime Minister of Italy, arrived in Washington on Sunday, January 5, and is staying at the Blair House as a guest of the Government until Thursday, January 9.

Visit of Ecuadoran Foreign Minister

His Excellency José Vicente Trujillo, Foreign Minister of Ecuador, and Señora de Trujillo arrived in Washington on Sunday, January 5, and are staying at the Blair-Lee House as guests of the Government until Thursday, January 9.

Cessation of Hostilities of World War II

STATEMENT BY THE PRESIDENT

[Released to the press by the White House December 31]

I have today issued a proclamation terminating the period of hostilities of World War II, as of 12 o'clock noon today, December 31, 1946.

Under the law, a number of war and emergency statutes cease to be effective upon the issuance of this proclamation. It is my belief that the time has come when such a declaration can properly be made, and that it is in the public interest to make it. Most of the powers affected by the proclamation need no longer be exercised by the executive branch of the Government. This is entirely in keeping with the policies which I have consistently followed, in an effort to bring our economy and our Government back to a peacetime basis as quickly as possible.

The proclamation terminates Government powers under some 20 statutes immediately upon its issuance. It terminates Government powers un-

der some 33 others at a later date, generally at the end of 6 months from the date of the proclamation. This follows as a result of provisions made by the Congress when the legislation was originally passed. In a few instances the statutes affected by the proclamation give the Government certain powers which in my opinion are desirable in peacetime, or for the remainder of the period of reconversion. In these instances, recommendations will be made to the Congress for additional legislation.

It should be noted that the proclamation does not terminate the states of emergency declared by President Roosevelt on September 8, 1939, and May 27, 1941. Nor does today's action have the effect of terminating the state of war itself. It terminates merely the period of hostilities. With respect to the termination of the national emergency and the state of war I shall make recommendations to the Congress in the near future.

TEXT OF THE PROCLAMATION

[Released to the press by the White House December 31]

With God's help this nation and our allies, through sacrifice and devotion, courage and perseverance, wrung final and unconditional surrender from our enemies. Thereafter, we, together with the other United Nations, set about building a world in which justice shall replace force. With spirit, through faith, with a determination that there shall be no more wars of aggression calculated to enslave the peoples of the world and destroy their civilization, and with the guidance of Almighty Providence great gains have been made in translating military victory into permanent peace. Although a state of war still exists, it is at this time possible to declare, and I find it to be in the public interest to declare, that hostilities have terminated.

NOW, THEREFORE, I, HARRY S. TRUMAN, Presi-

dent of the United States of America, do hereby proclaim the cessation of hostilities of World War II, effective twelve o'clock noon, December 31, 1946.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

DONE at the City of Washington this 31st day of December in the year of our Lord nineteen hundred and forty-six, and of the Independence of the United States of America the one hundred and seventy-first.

HARRY S. TRUMAN

By the President:

JAMES F. BYRNES

The Secretary of State

¹ Proclamation 2714 (12 *Federal Register* 1).

THE DEPARTMENT

Departmental Regulations

232.1 Liaison Between the Department of State and the National Archives: (Effective 9-16-46)

I LIAISON RESPONSIBILITY OF THE DIVISION OF HISTORICAL POLICY RESEARCH (RE). The responsibility for maintaining liaison with the National Archives, excepting with respect to the Division of the Federal Register of the National Archives, is vested in RE. The Chief of RE serves as the Liaison Officer for the Department and is designated as the alternate of the Secretary of State to serve as a member of the National Archives Council. The liaison activities of RE include various functions relating to the files of the Department from 1789 to 1929, inclusive, and certain groups of post-1929 records, which are in the custody of the Division of State Department Archives of the National Archives.

II PROCEDURES FOR THE USE OF THE LIAISON FACILITIES OF RE. Persons desiring to utilize the records in the National Archives, or desiring to transfer or otherwise dispose of records, will contact RE or the Archives Liaison Section thereof in accordance with the procedures outlined below:

A To obtain information or to borrow records from the National Archives (including records of Government agencies other than the Department of State), either telephone or address a memorandum to the Archives Liaison Section.

B To request RE to perform research based on the records now in the National Archives and to prepare memoranda incorporating the results of such research, either telephone or address a request to the Archives Liaison Section.

C To arrange for the transfer of records to the custody of the National Archives, either address a memorandum to the Chief of RE or telephone the Archives Liaison Section.

D To arrange for the preparation of disposal lists or schedules of records for the purpose of obtaining authorization for destruction or other disposal of records, either address a memorandum to the Chief of RE or telephone the Archives Liaison Section.

E To return records borrowed from the National Archives, send the material to the Archives Liaison Section. Material from the decimal file, 1910-December 31, 1929, borrowed from the Records Branch, Division of Communications and Records (DC), prior to January 1946, will be returned to the Archives Liaison Section.

III LIAISON RESPONSIBILITY OF THE DIVISION OF PUBLICATIONS (PB). The responsibility for maintaining liaison with the Division of the Federal Register of the National Archives is vested in PB. The Chief of PB serves as the Liaison Officer for the Department with the Division

of the Federal Register of the National Archives. The liaison activities of PB include the functions with respect to publication of Department documents in the Federal Register and the Code of Federal Regulations.

232.2 Contacts With the Department of Justice Regarding Immigration and Visa Matters: (Effective 5-1-46)

The responsibility for maintaining liaison with the Department of Justice with regard to immigration and visa matters is vested in the Visa Division. As questions concerning these matters are of a highly technical nature and require special knowledge of the rules and regulations as well as a familiarity with the technical application of these rules, all questions which are brought to the attention of other officers of the Department, either from foreign embassies or legations or from other sources, will be referred to the Visa Division. Officers will not, in any instance, contact the Department of Justice direct.

Foreign Agriculture

The following article of interest to readers of the BULLETIN appeared in the January issue of *Foreign Agriculture*, a publication of the Department of Agriculture, copies of which may be obtained from the Superintendent of Documents, Government Printing Office, for 10 cents each:

"Trends in Brazilian Agriculture", by Kenneth Wernimont, agricultural attaché, American Embassy, Bogotá, Colombia.

Mulliken—Continued from page 46

and 1946 to approximately 73 pounds, or about three fourths of average pre-war consumption. Even at its lowest level, however, consumption in the United States has been maintained at a much higher proportion of pre-war usage than in most European countries, despite the fact that the average consumption in Europe was normally less than half of our own. The disparity in allocations might have been expected to lead to evasions and an undermining of the allocation system, but such has not been the case. Each country which concurs in a recommended allocation accepts responsibility for implementing it, and actually very little sugar has moved to destinations other than those approved by the allocating body. This example of effective international cooperation under the most trying circumstances augurs well for the possibility of continued collaboration on sugar problems in the post-war world.

Publications

of the DEPARTMENT OF STATE

For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D.C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.

United States and Italy, 1936-1946. Documentary Record. European Series 17. Pub. 2669. 236 pp. 65¢.

A collection of documents that gives a chronological record of developments in diplomatic relations between the U.S. and Italy, 1936-46. (Two maps.)

United States Economic Policy Toward Germany. European Series 15. Pub. 2630. 149 pp. 40¢.

Discussion of U.S. economic policy toward Germany: disarmament, reparation, reconstruction. Texts of documents are included in the appendixes.

Report of the U.S. Education Mission to Germany. European Series 16. Pub. 2664. 50 pp. 15¢.

A review of conditions of education in Germany. The report contains recommendations of the Mission.

U.S. Aims and Policies in Europe. Address by the Secretary of State. Pub. 2670. 12 pp. 5¢.

A statement of U.S. determination to cooperate in maintaining the peace of Europe.

Occupation of Japan: Policy and Progress. Far Eastern Series 17. Pub. 2671. 173 pp. 35¢.

An explanation of Allied policy in the fields of politics, economics, and education. Appendixes include documents on the Japanese surrender, the texts of SCAP and SWNCC directives, and the text of the Japanese draft constitution.

Foreign Policies: Their Formulation and Enforcement. Address by Loy W. Henderson, Department of State. Pub. 2651. 20 pp. 10¢.

Includes an outline of the present organization of the Department of State, in particular that of the Office of Near Eastern and Foreign Affairs, and a statement of the policy of the U.S. regarding the Near and Middle East.

Fundamentals of United States Trade Policy. Address by Clair Wilcox, Department of State. Commercial Policy Series 95. Pub. 2663. 14 pp. 10¢.

A statement of and comment on the five fundamental principles of U.S. international trade policy.

A New Instrument of U.S. Foreign Policy. Address by Assistant Secretary Benton. Pub. 2700. 16 pp. 10¢.

An explanation of the State Department's information, cultural and scientific cooperation program.

Private Enterprise in the Development of the Americas. Inter-American Series 32. Pub. 2640. 14 pp. 10¢.

Address by Assistant Secretary Braden concerning the participation of U.S. private enterprise in the development of the other American republics.

Report on the Paris Peace Conference. By the Secretary of State. Conference Series 90. Pub. 2682. 14 pp. 5¢.

A report on the work of the Paris Peace Conference, which took place from July 29 to October 15, 1946. The report covers problems of the Conference and principles which determined the position of the American Delegation.

The International Control of Atomic Energy. Speech by Bernard M. Baruch, United States Representative, United States Atomic Energy Commission. Freedom House, New York City, October 8, 1946. Pub. 2681. 8 pp. 5¢.

Discussion of the U.S. position on the international control of atomic energy.

Report of the U.S. National Commission for UNESCO. With Letter of Transmittal from Assistant Secretary Benton to the Secretary of State, September 27, 1946. The United States and the United Nations Report Series 4. Pub. 2635. 27 pp. 10¢.

Final report of the U.S. National Commission for UNESCO to the Secretary of State. Includes a list of members of the Commission.

The New Republic of the Philippines. Article by Edward W. Mill, Department of State. Far Eastern Series 16. Pub. 2662. 16 pp. 5¢.

Discussion of the various acts of Congress which deal with the problems facing the new Philippine Republic.

Diplomatic List, November 1946. Pub. 2690. 159 pp. Subscription, \$2 a year; single copy, 20¢.

Monthly list of foreign diplomatic representatives in Washington, with their addresses, prepared by the Division of Protocol of the Department of State.

The Department of State Bulletin. Subscription, \$5.00 a year; single copy, 15¢.

Official weekly publication of the Department of State on current developments in the field of foreign relations; includes statements and addresses by the President and the Secretary of State, special articles, and texts of all major documents.

A cumulative list of the publications of the Department of State, from October 1, 1929 to July 1, 1946 (Pub. 2609), may be obtained from the Department of State.

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Contributors

André C. Simonpietri, author of the article on the Geography and History Assembly in Caracas, is Special Adviser in the Office of the Special Assistant to the Secretary for Research and Intelligence, Department of State.

Jean Mulliken, author of the article on International Cooperation in Sugar, is Chief of the Food Section, Food-stuffs Branch, International Resources Division, Office of International Trade Policy, Department of State.

The Department of State

bulletin

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January 19, 1947

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The Department of State bulletin

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The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest is included.

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THE SITUATION IN CHINA

Statement by General George C. Marshall¹

The President has recently given a summary of the developments in China during the past year and the position of the American Government toward China.² Circumstances now dictate that I should supplement this with impressions gained at first hand.

In this intricate and confused situation, I shall merely endeavor here to touch on some of the more important considerations—as they appeared to me—during my connection with the negotiations to bring about peace in China and a stable democratic form of government.

In the first place, the greatest obstacle to peace has been the complete, almost overwhelming suspicion with which the Chinese Communist Party and the Kuomintang regard each other.

On the one hand, the leaders of the Government are strongly opposed to a communistic form of government. On the other, the Communists frankly state that they are Marxists and intend to work toward establishing a communistic form of government in China, though first advancing through the medium of a democratic form of government of the American or British type.

The leaders of the Government are convinced in their minds that the Communist-expressed desire to participate in a government of the type endorsed by the Political Consultative Conference last January had for its purpose only a destructive in-

tention. The Communists felt, I believe, that the Government was insincere in its apparent acceptance of the PCC resolutions for the formation of the new government and intended by coercion of military force and the action of secret police to obliterate the Communist Party. Combined with this mutual deep distrust was the conspicuous error by both parties of ignoring the effect of the fears and suspicions of the other party in estimating the reason for proposals or opposition regarding the settlement of various matters under negotiation. They each sought only to take counsel of their own fears. They both, therefore, to that extent took a rather lopsided view of each situation and were susceptible to every evil suggestion or possibility. This complication was exaggerated to an explosive degree by the confused reports of fighting on the distant and tremendous fronts of hostile military contact. Patrol clashes were deliberately magnified into large offensive actions. The distortion of the facts was utilized by both sides to heap condemnation on the other. It was only through the reports of American officers in the field teams from Executive Headquarters that I could get even a partial idea of what was actually happening, and the incidents were too numerous and the distances too great for the American personnel to cover all of the ground.

On January 8 the Senate unanimously confirmed the nomination of General George C. Marshall, formerly personal representative of the President to China, with the personal rank of Ambassador, to be Secretary of State.

¹ Released to the press January 7.

² BULLETIN of Dec. 29, 1946, p. 1179.

I must comment here on the superb courage of the officers of our Army and Marines in struggling against almost insurmountable and maddening obstacles to bring some measure of peace to China.

I think the most important factors involved in the recent break-down of negotiations are these: On the side of the National Government, which is in effect the Kuomintang, there is a dominant group of reactionaries who have been opposed, in my opinion, to almost every effort I have made to influence the formation of a genuine coalition government. This has usually been under the cover of political or party action, but since the Party was the Government, this action, though subtle or indirect, has been devastating in its effect. They were quite frank in publicly stating their belief that cooperation by the Chinese Communist Party in the government was inconceivable and that only a policy of force could definitely settle the issue. This group includes military as well as political leaders.

On the side of the Chinese Communist Party there are, I believe, liberals as well as radicals, though this view is vigorously opposed by many who believe that the Chinese Communist Party discipline is too rigidly enforced to admit of such differences of viewpoint. Nevertheless, it has appeared to me that there is a definite liberal group among the Communists, especially of young men who have turned to the Communists in disgust at the corruption evident in the local governments—men who would put the interest of the Chinese people above ruthless measures to establish a Communist ideology in the immediate future. The dyed-in-the-wool Communists do not hesitate at the most drastic measures to gain their end as, for instance, the destruction of communications in order to wreck the economy of China and produce a situation that would facilitate the overthrow or collapse of the Government, without any regard to the immediate suffering of the people involved. They completely distrust the leaders of the Kuomintang and appear convinced that every Government proposal is designed to crush the Chinese Communist Party. I must say that the quite evidently inspired mob actions of last February and March, some within a few blocks

of where I was then engaged in completing negotiations, gave the Communists good excuse for such suspicions.

However, a very harmful and immensely provocative phase of the Chinese Communist Party procedure has been in the character of its propaganda. I wish to state to the American people that in the deliberate misrepresentation and abuse of the action, policies, and purposes of our Government this propaganda has been without regard for the truth, without any regard whatsoever for the facts, and has given plain evidence of a determined purpose to mislead the Chinese people and the world and to arouse a bitter hatred of Americans. It has been difficult to remain silent in the midst of such public abuse and wholesale disregard of facts, but a denial would merely lead to the necessity of daily denials; an intolerable course of action for an American official. In the interest of fairness, I must state that the Nationalist Government publicity agency has made numerous misrepresentations, though not of the vicious nature of the Communist propaganda. Incidentally, the Communist statements regarding the Anping incident which resulted in the death of three Marines and the wounding of twelve others were almost pure fabrication, deliberately representing a carefully arranged ambush of a Marine convoy with supplies for the maintenance of Executive Headquarters and some UNRRA supplies as a defense against a Marine assault. The investigation of this incident was a tortuous procedure of delays and maneuvers to disguise the true and privately admitted facts of the case.

Sincere efforts to achieve settlement have been frustrated time and again by extremist elements of both sides. The agreements reached by the Political Consultative Conference a year ago were a liberal and forward-looking charter which then offered China a basis for peace and reconstruction. However, irreconcilable groups within the Kuomintang, interested in the preservation of their own feudal control of China, evidently had no real intention of implementing them. Though I speak as a soldier, I must here also deplore the dominating influence of the military. Their dominance accentuates the weakness of civil government in China. At the same time, in pondering

the situation in China, one must have clearly in mind not the workings of small Communist groups or committees to which we are accustomed in America, but rather of millions of people and an army of more than a million men.

I have never been in a position to be certain of the development of attitudes in the innermost Chinese Communist circles. Most certainly, the course which the Chinese Communist Party has pursued in recent months indicated an unwillingness to make a fair compromise. It has been impossible even to get them to sit down at a conference table with Government representatives to discuss given issues. Now the Communists have broken off negotiations by their last offer which demanded the dissolution of the National Assembly and a return to the military positions of January 13 which the Government could not be expected to accept.

Between this dominant reactionary group in the Government and the irreconcilable Communists who, I must state, did not so appear last February, lies the problem of how peace and well-being are to be brought to the long-suffering and presently inarticulate mass of the people of China. The reactionaries in the Government have evidently counted on substantial American support regardless of their actions. The Communists by their unwillingness to compromise in the national interest are evidently counting on an economic collapse to bring about the fall of the Government, accelerated by extensive guerrilla action against the long lines of rail communications—regardless of the cost in suffering to the Chinese people.

The salvation of the situation, as I see it, would be the assumption of leadership by the liberals in the Government and in the minority parties, a splendid group of men, but who as yet lack the political power to exercise a controlling influence. Successful action on their part under the leadership of Generalissimo Chiang Kai-shek would, I believe, lead to unity through good government.

In fact, the National Assembly has adopted a democratic constitution which in all major respects is in accordance with the principles laid down by the all-party Political Consultative Con-

ference of last January. It is unfortunate that the Communists did not see fit to participate in the Assembly since the constitution that has been adopted seems to include every major point that they wanted.

Soon the Government in China will undergo major reorganization pending the coming into force of the constitution following elections to be completed before Christmas Day 1947. Now that the form for a democratic China has been laid down by the newly adopted constitution, practical measures will be the test. It remains to be seen to what extent the Government will give substance to the form by a genuine welcome of all groups actively to share in the responsibility of government.

The first step will be the reorganization of the State Council and the executive branch of Government to carry on administration pending the enforcement of the constitution. The manner in which this is done and the amount of representation accorded to liberals and to non-Kuomintang members will be significant. It is also to be hoped that during this interim period the door will remain open for Communists or other groups to participate if they see fit to assume their share of responsibility for the future of China.

It has been stated officially and categorically that the period of political tutelage under the Kuomintang is at an end. If the termination of one-party rule is to be a reality, the Kuomintang should cease to receive financial support from the Government.

I have spoken very frankly because in no other way can I hope to bring the people of the United States to even a partial understanding of this complex problem. I have expressed all these views privately in the course of negotiations; they are well known, I think, to most of the individuals concerned. I express them now publicly, as it is my duty, to present my estimate of the situation and its possibilities to the American people who have a deep interest in the development of conditions in the Far East promising an enduring peace in the Pacific.

Resignation of James F. Byrnes as Secretary of State

EXCHANGE OF LETTERS BETWEEN THE PRESIDENT AND MR. BYRNES

[Released to the press by the White House January 71

April 16, 1946.

DEAR MR. PRESIDENT:

As you know on April 1, 1945, I retired as Director of the Office of War Mobilization. I thought I had earned the right to take a rest and do some of the things I had long wanted to do but could not do because of my public service.

Shortly thereafter President Roosevelt died and the responsibilities of the Presidency were suddenly thrust upon you. Because of our intimate friendship I offered my services to you. You told me you were going to appoint me Secretary of State and did so last July 3rd.

With the cessation of hostilities the problems of the peace necessarily became more important. Since that time they have steadily increased in number and in importance. I have found it necessary to work long hours six and at times seven days a week.

Last week I had a medical examination. I was advised that I must "slow down". I know myself. I cannot slow down as long as I hold public office, particularly the office of Secretary of State.

The only way I can comply with the advice of the Doctor is to resign. Therefore, I am tendering my resignation to take effect July first.

I select that date because there is a meeting of the Council of Foreign Ministers in Paris next week to be followed by a Peace Conference and it is impossible to tell how long those Conferences will continue. I think it my duty to attend those meetings. Again, by fixing July first, you will have time in which to select my successor.

Some weeks ago several newspapers published a story that I had resigned and you had selected my successor. You stated it was untrue. It certainly was untrue because we had never discussed the subject. I presume these newspapers now will state that their story was true, but I cannot be deterred from doing what I believe to be right simply because it may give the appearance of truth to that which is false.

In resigning, I wish to say that since I became

Secretary of State you have given me your wholehearted support. When I think of the controversial character of the problems that have confronted us, it is rather remarkable that we have never failed to agree as to foreign policies.

Recently I have been made happy by the increasing evidence that the people recognize and appreciate the skill and courage with which you are performing your duties. I know what a terrible task it is and I know too how much you deserve that appreciation.

I want to assure you that as a private citizen I shall give to you my hearty support,—not only because of my sincere affection for you personally, but because of my honest belief that your splendid administration of the office of President deserves that support.

Sincerely yours,

JAMES F. BYRNES

December 19, 1946.

DEAR MR. PRESIDENT:

On April 16 I submitted to you my resignation to take effect July first. I hoped by that date the Peace Conference would have concluded its deliberations and the work upon the five treaties with the satellite states would be completed.

When it became obvious that I was too optimistic as to the completion of the work upon the treaties, I told you I would continue until they were finally agreed upon.

Now that we have reached complete agreement and the treaties are scheduled to be signed February 10, I should like to be relieved.

I think it important that the change should be made at this time. We have scheduled for March 10 the meeting at Moscow when work will be started upon the German treaty and the Austrian peace settlement. That work will continue for many months and the Secretary who undertakes the task should be in office sufficiently far in advance of the conference to familiarize himself with the problems.

Therefore, I ask that my resignation become effective January 10 or as soon thereafter as my successor is appointed and qualified. I fix that date because the Senate will then be in session and the nomination of my successor can be sent to the Senate simultaneously with the announcement of my resignation.

I repeat what I said in my letter last April, that no man serving as Secretary of State could ask or receive greater support and encouragement than you have given me.

Sincerely yours,

JAMES F. BYRNES

[Released to the press by the White House January 7]

January 7, 1947.

MY DEAR JIM:

I have weighed carefully the considerations set forth in your letter of December 19, 1946, and in your letter of April 16, 1946, each emphasizing your desire to retire from the office of Secretary of State. Because I know how vital these considerations are, I must accede to your desire.

I accept therefore, with great reluctance and heartfelt regret, your resignation effective at the close of business on January 10, 1947, or upon the qualification of your successor.¹

I realize full well how arduous and complex have been the problems which have fallen to you since you took office in July, 1945. Big events were then impending and the months that have ensued have presented problems of the utmost moment, with all of which you have dealt with rare tact and judgment and—when necessary—firmness and tenacity of purpose.

Yours has been a steady hand as you have met the difficult problems which have arisen with such unvarying succession.

For all that you did during the war, and in the making of the peace, you have earned the thanks of the Nation. So I say: well done, in the hope that we can continue to call upon you for the counsel which you can give out of so rich and varied an experience.

With every good wish,

Very sincerely yours,

HARRY S. TRUMAN

“We Must Demonstrate Our Capacity in Peace”

BY SECRETARY OF STATE BYRNES²

Twice in our generation the communities of America have learned that they are very much a part of the world when the world is at war. If we are to prevent war and build enduring peace, every community in America must realize that it is very much a part of the world when the world is at peace.

Our first task is to liquidate the war. We cannot think constructively about the building of lasting peace and about rising standards of life until we give the peoples of this world a chance to live again under conditions of peace. We cannot deal with the problems of a convalescing world until we get the patient off the operating table.

That is why President Truman and I at Potsdam two months after VE-day proposed to set up the Council of Foreign Ministers to start work upon the peace treaties as quickly as possible wherever possible.

That is why we have persistently urged since last winter that deputies should be appointed to

begin work upon the German and Austrian treaties.

After every great war the victorious Allies have found it difficult to adjust their differences in the making of peace. At the very outset grave differences between the Allies did arise in the work of the Council of Foreign Ministers. But we refused to abandon the principles for which our country stands. And we served notice that we would not retreat to a policy of isolation.

We made it clear that as anxious as we were to reduce the burden of occupation, America would not evade her responsibility. And we also made it

¹ Mr. Byrnes will continue to serve as Secretary of State until the administration of the oath of office to General Marshall.

² An address delivered before the Twenty-first Annual Institute of the Cleveland Council on World Affairs in Cleveland, Ohio, on Jan. 11, 1947, and released to the press on the same date.

clear that as long as our Allies maintained troops in Germany and Austria, the United States would maintain its troops in those countries.

We were determined to do our part to bring peace to a war-weary world and we have not sought any excuse, however plausible, for shirking our responsibilities.

The treaties with Italy and the ex-satellite states, as they emerged from months of protracted negotiation and debate, are not perfect. But they are as good as we can hope to get by general agreement now or within a reasonable length of time.

The treaties mark a milestone on the return to conditions of peace. The fact that the Allies have been able to agree upon these five treaties does give hope that they will soon be able to agree upon a treaty with Austria. That will make possible the removal of occupation troops from all European countries except Germany, and will give to millions of people relief from the burdens of occupying armies.

Agreement upon these treaties gives assurance too that the discussions of the German settlement will start under much more favorable conditions than seemed possible until last month.

During the year or more that these treaties were under discussion it was inevitable that the differences between the Allies should be emphasized, and at times exaggerated. On the other hand, during the war some of these differences were minimized and overlooked. But peace cannot be made by ignoring very real and basic differences and by pretending they do not exist.

By recognizing and bringing out into the open our differences and honestly seeking means of reconciling them, we have advanced and not retarded the cause of peace.

The discussions and debates in the Council of Foreign Ministers and in the Security Council during the past year caused a better understanding of our problems and contributed much to the substantial progress made at the recent Assembly of the United Nations.

But we would never have made the progress that we did during the last year if the American people had not been united on a foreign policy.

For the past year our foreign policy has not been the policy of a political party; it has been the policy of the United States.

And I am sure my Democratic friend Senator Connally would join me in saying that our bi-

partisan foreign policy was made possible only by the whole-hearted and intelligent cooperation of my Republican friend Senator Arthur Vandenberg.

I would issue a word of caution against excessive optimism and excessive pessimism.

We must not let ourselves believe that peace can be made secure by any one treaty or series of treaties, or by any one resolution or series of resolutions. And we must not let ourselves believe that the struggle for peace is hopeless because we cannot at once find ways and means of reconciling all our differences.

Nations, like individuals, differ as to what is right and just, and clashing appeals to reason may in the long run do more to avert a clash of arms than a lot of pious resolutions which conceal honest and serious disagreements.

Never before have the differences between nations been brought out into the open and so frankly discussed in public as they have during the past year in the Council of Foreign Ministers, the Security Council, and the General Assembly.

Of course it is true that public discussion emphasizes differences. But without such public discussion the people of the world who want peace would not know and understand the differences which arise between nations and which threaten the peace.

Wars may start not because the people want war, but because they want things that other people possess and will not give up without a fight. Full and frank discussion of such situations may avert armed conflict.

The struggle for peace is the struggle for law and justice. It is a never-ending struggle. Law and justice can be developed and applied only through living institutions capable of life and growth. And these institutions must be backed by sufficient force to protect nations which abide by the law against nations which violate the law.

If we are going to build a regime of law among nations, we must struggle to create a world in which no nation can arbitrarily impose its will upon any other nation. Neither the United States nor any other state should have the power to dominate the world.

The present power relationships of the great states preclude the domination of the world by any one of them. Those power relationships cannot be substantially altered by the unilateral

action of any one state without profoundly disturbing the whole structure of the United Nations.

Therefore, if we are going to do our part to maintain peace under law, we must maintain, in relation to other states, the military strength necessary to discharge our obligations.

Force does not make right, but we must realize that in this imperfect world, power as well as reason does affect international decisions.

The great states are given special responsibility under the Charter because they have the military strength to maintain peace if they have the will to maintain peace. Their strength in relation to one another is such that no one of them can safely break the peace if the others stand united in defense of the Charter.

We have joined with our Allies in the United Nations to put an end to war. We have covenanted not to use force except in defense of law. We shall keep that covenant.

As a great power and as a permanent member of the Security Council, we have a responsibility, veto or no veto, to see that other states do not use force except in defense of law. We must discharge that responsibility.

And we must realize that unless the great powers are not only prepared to observe the law but are prepared to act in defense of the law, the United Nations organization cannot prevent war.

In a world in which people do differ as to what is right and wrong, we must strive to work out definite standards of conduct which all can accept. We must develop and build through the years a common law of nations.

History informs us that individuals abandoned private wars and gave up their arms only as they were protected by the common law of their tribe and their nation. So I believe that in the long run international peace depends upon our ability to develop a common law of nations which all nations can accept and which no nation can violate with impunity.

In the past international law has concerned itself too much with the rules of war and too little with the rules of peace. I am more interested in ways and means to prevent war than in ways and means to conduct war.

Unless we are able to develop a common law of nations which provides definite and agreed standards of conduct such as those which govern decisions within the competence of the International Court of Justice and such as those which we hope

may be agreed upon for the control of atomic energy, international problems between sovereign states must be worked out by agreement between sovereign states.

The United States has taken the lead in proposing the control and the elimination from national armaments of atomic weapons and other weapons of mass destruction under agreed rules of law.

These rules of law must carry clear and adequate safeguards to protect complying states from the hazards of violations and evasions. They must be sufficiently definite and explicit to prevent a state that violates the law from obstructing the prompt and effective enforcement of the law.

If a nation by solemn treaty agrees to a plan for the control of atomic weapons and agrees that a violation of that treaty shall be punished, it is difficult for me to understand why that nation cannot agree to waive the right to exercise the veto power should it be charged with violating its treaty obligation.

In 1921 while a member of the House I advocated that the President call a conference for the limitation of naval armaments.

Later the President did call such a conference. What happened thereafter influences my thinking today. While America scrapped battleships, Japan scrapped blueprints. America will not again make that mistake.

We have urged a general limitation of armaments, but we are not going to disarm while others remain armed. And we should make certain that all governments live up to their agreements to disarm.

We have urged priority for the control of atomic weapons because they are the most destructive of all weapons, because we have been at work on the proposal for more than six months, and because it presents concretely the issue of international inspection and control. We are convinced that if there can be agreement on that subject, there can be agreement on the control of other major weapons and a general reduction of armaments.

But international law in a friendly, peaceful world must rest upon something more than mere rules, something more than force, and something more than fear. It must be made to rest upon the growth of a common fellowship, common interests, and common ideas among the peoples of this earth.

It was our fostering of a common fellowship that gave vitality to the good-neighbor policy in the Americas. It was a common fellowship which made the Act of Chapultepec possible.

We are eager to proceed with a negotiation of a mutual-assistance treaty in accordance with the Act of Chapultepec at the projected Rio de Janeiro conference. But we do not wish to proceed without Argentina and neither our Ambassador nor any official of the State Department is of the opinion that Argentina has yet complied with the commitments which she as well as the other American republics at Chapultepec agreed to carry out.

It is our earnest hope that before long there will be such reasonable and substantial compliance by Argentina with its obligations, that the American republics after consultation will convene the Rio conference.

A common fellowship does not mean that nations must in all respects think alike or live alike. Inevitably we will differ. But nations like individuals must respect and tolerate one another's differences.

Peace in this interdependent world must be something more than a truce between nations. To have peace, nations must learn to live and work together for their common good. We live in one world. The health of the body politic like the health of the human body depends upon the health of all its members.

We cannot whole-heartedly abandon the policy of political isolation unless we abandon the policy of economic isolation. We are not likely to be successful in our efforts to cooperate to prevent war, unless we are willing to cooperate to maintain freedom and well-being in a world at peace.

We must learn to cooperate so that the people of each country may exchange the products of their country easily and fairly with the people of other countries.

Although our general long-run purpose is to help raise the living standard, the immediate problem during the last two years in some areas has been to maintain life itself.

Economic distress, starvation, and disease breed political unrest, tyranny, and aggression. If we are sincere in our efforts to maintain peace, we must do our part to assist in the elimination of conditions which breed aggression and war.

If we want people to value freedom and respect

law we must at least give them a fair chance to feed, clothe, and shelter themselves and their families.

The war has devastated many countries and disrupted their economies. UNRRA has helped these countries through their most critical period. Its authority is terminated but some countries through no fault of their own will require further relief to get upon their feet. And this we must not deny them.

Outright relief by us is necessary in some countries. But the countries in need and the extent of the need can be determined by the United States just as well as it could be determined by a committee composed of representatives of other governments.

A permanent place on the relief rolls is not the desire of those self-respecting nations which have fought for their freedom. But much of their productive capacity has been destroyed, and they have no working capital in the form of foreign exchange to start the flow of needed raw materials.

They do need loans to secure the raw materials, capital, equipment, and tools necessary to rebuild and resume their ability to produce. The work of the International Bank, the International Monetary Fund, and our own Export and Import Bank must continue to have our whole-hearted support.

Despite the ravages and destruction of the war, the advances of science make it possible for us and other nations to preserve and increase our living standards if we work together with other nations to produce what we and other nations want and need.

We must learn that prosperity like freedom must be shared, not on the basis of hand-outs but on the basis of fair and honest exchange of the products of the labor of free men and free women.

We believe that there should be no unnecessary barriers to the free exchange of ideas and information among nations. But it is unrealistic to expect to have trade in ideas if we are unwilling to have trade in goods.

We must do our part to break down the artificial barriers to trade and commerce among nations. We must pursue vigorously our reciprocal trade policies which are designed to expand American trade and world trade because the world

(Continued on page 104)

ACCOMPLISHMENTS OF THE COMMISSION ON NARCOTIC DRUGS

by George A. Morlock

Forward strides were taken to solve the narcotics problem when the Commission on Narcotic Drugs of the United Nations, meeting last fall, recommended world-wide prohibition of the use of smoking opium, the establishment of effective narcotics controls for all Germany, and the incorporation in the peace treaties with Japan of narcotics-control measures to be supervised by United Nations inspectors.

The Commission on Narcotic Drugs of the United Nations held its first session at Lake Success, New York, from November 27 to December 13, 1946. It made decisions on a number of organizational matters and other general matters relating to the limitation of the production of raw narcotic materials, the abolition of opium-smoking, the illicit traffic, drug addiction, the re-establishment at the pre-war level of the international control of narcotic drugs, and the control of narcotics in Japan and Korea.

The following representatives and assistants were present:

Canada: Col. C. H. L. Sharman.

China: P. C. Chang; Szeming Sze; T. H. Liu.

Egypt: Mohamed Amin Zaki; Amin Ismail.

France: Gaston Bourgois.

India: H. Greenfield; N. Sundaresan; H. N. Tandon.

Iran: Nazrollah Entezam; A. G. Panahy.

Mexico: José Quevedo Bazan.

Netherlands: J. H. Delgorge; A. Kruysse.

Peru: Jorge A. Lazarte.

Poland: Stanislaw Tubiasz.

Turkey: Fikret Belbez.

United Kingdom: Maj. W. H. Coles.

United States: H. J. Anslinger; George A. Morlock; John W. Bulkley; Julia H. Renfrew.

Union of Soviet Socialist Republics: Vassily Zuev.

Yugoslavia: Stane Krasovec.

Col. C. H. L. Sharman (Canada) was elected chairman, Stanislaw Tubiasz (Poland), vice chairman, and Szeming Sze (China), as rapporteur.

In accordance with the resolution of the Economic and Social Council of February 16, 1946, the Commission decided to invite the Permanent Central Opium Board and the Drug Supervisory Body to send representatives to the meetings of the Commission. Herbert L. May, president of the Permanent Central Opium Board and a member of the Drug Supervisory Body, attended the meetings in a consultative capacity.

Agenda ¹

Among the topics included in the agenda were: Invitation to be Sent to the Permanent Central Opium Board and to the Supervisory Body Asking Them to be Represented at the Session; Gen-

¹ U.N. document E/C.S.7/2 Rev.2

eral Discussion on the Commission's Terms of Reference; Transfer to the United Nations of the Activities, Powers and Functions Previously Exercised by the League of Nations; Limitation of the Production of Raw Materials (Opium and Coca Leaf); Abolition of Opium-Smoking in the Far East; Illicit Traffic; Drug Addiction; Procedure to be Followed in Making Future Appointments to the Permanent Central Board; The Re-establishment at its Pre-war Level of the International Control of Narcotic Drugs.

Henry Laugier, Assistant Secretary General in Charge of the Department of Social Affairs, United Nations, opened the session emphasizing the principle of universality of international control of narcotic drugs. He stated that the United Nations would insure the permanence and continuity of the control work and that the Secretariat would give all possible assistance to the Commission on Narcotic Drugs, whose duty it was to safeguard the results already achieved.

Protocol

On December 11, 1946 the representatives on the Commission attended a ceremony at which the representatives of 36 countries signed a protocol which had been approved by the Economic and Social Council on October 3, 1946 and by the General Assembly on November 19, 1946, providing for the transfer to the United Nations of the powers and functions exercised by the League of Nations under the international drug conventions. A resolution² taking note of the protocol was formally adopted:

THE COMMISSION ON NARCOTIC DRUGS

NOTING the measures adopted by the General Assembly, the Economic and Social Council and the Secretary General with a view to insuring the transfer to the United Nations of the powers and functions formerly exercised by the League of Nations under the Agreements, Conventions and Protocols on narcotic drugs;

DESIRES to record its thanks to the General Assembly and the Economic and Social Council for having taken these measures and to the Secretary General for having rapidly and effectively taken all steps required to insure the continuity of the international control of narcotics;

WELCOMES the large number of Members of the United Nations who have signed the Protocol of the 11th December 1946;

EXPRESSES the hope that the Members of the United

Nations who have signed the Protocol, subject to approval, or approval followed by acceptance, will approve, or approve and accept it as soon as possible, and that the Members of the United Nations who have not already taken steps to become Parties to the said Protocol will do so at an early date; and

DRAWs the attention of the Economic and Social Council to the fact that a certain number of Parties to the International Agreements, Conventions and Protocols on narcotic drugs are not Members of the United Nations, and requests it to consider the measures necessary to insure at an early date their participation in the Protocol of the 11th December 1946.

Budget

The Commission considered the desirability of insuring to the Commission and to the Secretary General adequate funds to carry out its obligations and adopted a resolution³ embodying its convictions:

THE COMMISSION ON NARCOTIC DRUGS

CONSIDERING that the Economic and Social Council, the Commission on Narcotic Drugs and the Secretary General have to fulfil formal and numerous obligations arising out of the international Agreements, Conventions and Protocols on Narcotic Drugs and out of the decisions of the General Assembly and the Economic and Social Council;

CONSIDERING that the international control of narcotic drugs has been partially interrupted by the war and that its full re-establishment is a matter of urgency;

CONSIDERING that the preparatory work for the limitation of the production of raw materials (opium, coca leaf) must be resumed as soon as possible;

EXPRESSES its conviction that the Economic and Social Council and the General Assembly will supply the Commission and the Secretary General with all the means required with a view to enabling the United Nations to carry out their obligations in the field of narcotic drugs.

Election of Members of Permanent Central Opium Board

Acting on a resolution of the Economic and Social Council of October 3, 1946, the Commission decided to recommend that the Economic and Social Council should follow the procedure successfully followed by the Council of the League of Nations in making appointments to the Permanent Central Opium Board. The Commission expressed the view that the present vacancy on the Board should be filled as soon as possible, and authorized the chairman, the vice chairman, and the rapporteur to forward to the Economic and Social Council on its behalf one or more nominations of persons qualified to fill that vacancy.

² U.N. document E/C.S.7/55, p. 4.

³ U.N. document E/C.S.7/55, p. 7.

Narcotic Raw Materials

After reviewing the world situation regarding the production of narcotic raw materials and the work already accomplished in this field by the Opium Advisory Committee of the League of Nations, the Commission unanimously adopted the following resolution:⁴

THE COMMISSION ON NARCOTIC DRUGS

RECOGNIZING the importance of bringing as speedy a solution as possible to the problem of limitation of production of raw materials from which narcotic drugs are manufactured;

NOTING the preparatory work previously accomplished in this field;

EXPRESSING its appreciation of the efforts of both the Executive and Legislative branches of the United States Government during the war to ensure the continuity of this work with the object of arriving at a solution of this problem; and

REALIZING on the other hand that changed circumstances render it necessary to collect further information in order to continue the preparatory work preliminary to an international conference on the limitation of such raw materials;

DECIDES,

Subject to the approval of the Economic and Social Council to issue to Governments concerned a questionnaire calling for such information, this questionnaire now to be prepared by the Secretariat in the light of the views expressed during the present session of the Commission and after the approval by the Chairman, Vice Chairman and Rapporteur

To INSTRUCT the Secretariat to draw up a questionnaire on coca leaves for consideration by the Commission at its next session.

Smoking Opium

The representative of India informed the Commission that the Government of India had announced on November 20, 1946 that opium-smoking would be prohibited in British India for all persons except those addicts in possession of medical certificates and that the Indian States were being approached with a view to their adopting similar measures. The representative of the United Kingdom reported that the Government of Burma had decided to enact legislation making illegal the smoking of opium and the possession of implements for this purpose, and that the Government of Burma has also decided to abolish the system of licensing shops in Burma and are making administrative arrangements for the control of the issue of opium for medicinal, quasi-medicinal, and scientific uses, and for religious and ceremonial purposes.

Following these disclosures, the United States representative read a prepared statement.

From the time the Government of the United States took the initiative in bringing about the first international conference on the subject of narcotic drugs, which was held in Shanghai in 1909, and proposed the convening of the international conference which resulted in the opium convention signed at The Hague on January 23, 1912, it has been the consistent policy of our Government to cooperate with other nations in the control of the legal trade in these dangerous drugs and in international efforts to suppress their abuse. At those and subsequent conferences representatives of the Government of the United States have clearly stated that the policy of the United States Government is to limit the production and manufacture of narcotic drugs strictly to medicinal and scientific requirements and to consider use for any other purpose as abuse. This policy is incorporated in the laws of the United States, which prohibit the use of prepared opium. The same policy has been pursued wherever the jurisdiction of the United States Government has extended. For example, shortly after our assumption of control over the Philippine Islands, Congress enacted legislation prohibiting the importation of opium in the Philippines except for medicinal purposes.

The Government of the United States has on every appropriate occasion endeavored very earnestly to induce other governments to accept the doctrine that the use of opium should be restricted to medicinal and scientific purposes. A number of governments have signified their acceptance of this principle, but unfortunately some countries have not found it possible, owing to special circumstances, to eliminate completely the use of opium for smoking and eating.

For the purpose of assisting in formulating a policy which the United States Government and other interested governments might adopt as regards the suppression of the smoking of prepared opium in areas then held by Japanese forces in the Far East after the successful termination of the war with Japan, meetings for informal discussion of this subject were held in Washington in the winter of 1942-43.

As it appeared from those discussions that it might be possible for the interested governments to agree on a common policy of action to suppress the use of smoking opium in the Far East, the Gov-

⁴ U.N. document E/C.S.7/55, p. 11.

ernment of the United States decided to bring the subject formally to the attention of those governments. On September 21, 1943 *aide-mémoire*⁵ were delivered in Washington to the Chinese and Netherlands Ambassadors, the Minister of Portugal and the British Chargé d'Affaires, while copies of the *aide-mémoire* to the British Chargé d'Affaires were sent to the Minister of Australia and to the Chargé d'Affaires ad interim of Canada and of New Zealand.

In this *aide-mémoire* the United States Government stated that the policy to be pursued by all American expeditionary forces under American command upon occupation of a part or the whole of any one of the territories occupied by Japanese forces would be to seize all drugs intended for other than medical and scientific purposes, which might be discovered, and to close existing opium monopolies, opium shops, and dens. The Government of the United States proposed to the interested governments that consideration be given to the question of adopting a similar common policy to govern the action of expeditionary forces under allied command. The United States Government further proposed that the interested governments immediately upon the resumption of control over a part or the whole of any one of their territories then occupied by the Japanese take all measures and enact all legislation necessary for the prohibition of the importation, manufacture, sale, possession or use of prepared opium and other dangerous drugs except for medical and scientific purposes.

The British, Chinese, French, and Netherlands Governments subsequently announced their intention to suppress the use of smoking opium in their Far Eastern territories then occupied by Japanese forces, as soon as those territories should be recovered. In 1945 and 1946 orders were issued closing the opium monopolies and suppressing the use of smoking opium in Hong Kong, Borneo, Singapore, and the Union of Malaya. The Colonial Government of Macao issued a proclamation closing all opium-smoking establishments and all traffic in opium effective June 26, 1946. The Federal Government of Indochina on June 12, 1946 issued an ordinance prohibiting the use of opium and closing all opium shops and opium-smoking dens.

In harmony with these measures, the Government of Iran on June 21, 1946 published an order prohibiting the non-medical use of opium.

In view of these important developments, my Government has authorized me to introduce the following resolution:⁶

THE COMMISSION ON NARCOTIC DRUGS

TO FULFIL the stipulation embodied in Article 6 of the international drug convention signed at The Hague on 23 January 1912 concerning the suppression of the manufacture, internal traffic in and use of prepared opium;

CONSIDERING that the Governments of the United Kingdom, France, the Netherlands and Portugal had decided to adopt the policy of complete prohibition of opium smoking in all their territories in the Far East and had taken measures to give effect to this policy;

RECOMMENDS that the Economic and Social Council urge all countries which still legalize the use of opium for smoking to take immediate steps to prohibit the manufacture, internal traffic in and use of such opium.

Illicit Traffic

A detailed study was made of the illicit traffic in narcotic drugs. A review of the world situation for the period 1940-45, prepared at the request of the Secretariat by John W. Bulkley of the United States Treasury Department, disclosed that India, Iran, Turkey, and Mexico were centers of illicit traffic in opium; Mexico, in prepared opium, morphine, heroin, and marihuana; and Syria, in hashish.

Drug Addiction

The Commission examined many aspects of the problem of drug addiction. The United States representative reported a large decrease in addiction in the United States, owing to the international control system which has been developed since 1925. He stated that the records of the United States Army disclose that there was one addict in 1,500 men examined during World War I and only one in 10,000 men examined during the World War II. The Mexican representative reported that Mexican physicians were of the opinion that the use of marihuana produced no ill effects. The United States representative cited a number of cases and quoted from several acknowledged authorities to support his contention that there was a definite relation between the use of marihuana and crime. The representative of India stated that the effect of *cannabis sativa* in his country depended generally on the nature and psychological predisposition of the individual and that on the whole the Indians were moderate in

⁵ BULLETIN of Dec. 29, 1946, p. 1165.

⁶ U.N. document E/C.S.7/55, p. 15. [This resolution was approved by the Commission unanimously.]

their use of ganja and bhang. The representative of the United States drew attention to the habit-forming properties of the synthetic drug, demerol, and the need for its control. He also made reference to a new synthetic drug called "amidone", which is being withheld from the market pending a study of its addictive potentialities. The chairman (representative of Canada) stated that, pending international action, every country should be urged to take action immediately for the control of new narcotic drugs.

Reestablishment of Controls

In order to reestablish the international control of narcotic drugs at the pre-war level, the Commission decided to request Governments, which have not already done so since the termination of the war, to furnish information on the functioning of their national narcotics administrations and to resume their collaboration with the international control organs. The Commission also decided that the final date for sending in annual reports should be June 30.

The representative of the United States made the following statement regarding the narcotics situation in the United States zone of occupation in Germany:

Narcotic control in the United States zone in Germany was initiated in December 1945. It is exercised through Opium Offices established in each of the three Länder in the zone. They function under the Minister President and are located in the Interior Ministry, Public Health Department. So far as possible all of the reports required by the former Opium Offices have been reestablished, and copies are furnished to the United States Military Government. The German law of 1929 governing the control of narcotic drugs was reestablished with certain changes by Military Government regulations. The manufacture and sale of heroin have been abolished, the importation of narcotics into the zone from outside Germany has been prohibited, and shipments from the zone for exportation from Germany without the approval of the Chief of the Public Health Branch are prohibited. Inventories required of persons authorized to handle narcotics are being received according to the provisions of the law. Administration of the Opium Offices is entirely in the hands of the German officials, but their activities are supervised by the chief narcotic-control

office of Military Government. All interzonal transactions are examined by Military Government, and none are made without approval of that Office. While each of the Opium Offices is a separate unit, uniformity is achieved by monthly meetings of the chiefs at which the narcotic control officer is present.

Statistics on addiction are being collected, and information on this subject will be kept in the files of the three Opium Offices. There are indications that large quantities of narcotics scattered by bombings and left behind by the retreating German armies are in the hands of unauthorized individuals at the present time and will eventually reach the black market. The reestablishment of the inspection system has revealed an increase in the number of addicts, particularly among professional people. There is a desire on the part of the authorities to provide institutional treatment for addicts, but there is a shortage of facilities for such treatments.

In the United States zone inventories submitted on April 30, 1946 disclosed adequate stocks of narcotics, as follows:

	<i>Kilograms</i>
Opium, raw and powdered	14, 000
Morphine base	1, 200
Morphine hydrochloride	200
Morphine, raw	1, 600
Tincture of opium	2, 000
Codeine	1, 000

These figures are believed to be correct within 10 percent. Supplies of other narcotics were in proportion. Control of the collection of poppy straw was undertaken by the German Land Agricultural Office, and the allocations of the capsules were supervised by the Opium Offices. Surpluses, if any, were to be disposed of by sale to licensed producers in other zones. It was found that production facilities were not disrupted by the war and that the United States zone could supply all of Germany with synthetic narcotics. Transactions with the other occupation zones have been permitted in order to meet demands for narcotics for medicinal purposes. During the month of July, arrangements were made to supply the city of Berlin with narcotics, of which there was an acute shortage. The first shipment was made in August in the amount of 55,000 Reichsmarks to the United States Medical Depot, Berlin District. The narcotics were purchased by the Berlin Health Department which supervised sales to dealers

throughout the city. Owing to differences in the interpretation of the German opium law of 1929 and administrative difficulties arising from the division of Germany, the distribution of drugs is entirely inadequate. There are shortages in some areas and surpluses in others. Contributing factors are lack of transport and communication.

The development of the control system has been slow and difficult. Each of the three Land Opium Offices had to be staffed by inexperienced personnel, and an inspection service had to be reestablished. After much painstaking work on the part of the American authorities, an adequate supply of narcotics in the United States zone is being assured and the illegal traffic and drug addiction are being kept at a minimum. Efforts are being made for close cooperation between the regulating officials and the local police in connection with the investigation of violations of the narcotic laws. Arrangements have been made to obtain police reports of all violations.

Enforcement is improving rapidly as a result of activities of the Public Health and Public Safety branches of Military Government. In Bavaria, for instance, arrests in May 1945 numbered 2 and in June 1946 they numbered 121.

On the whole the control system in Germany is unsatisfactory. In order to improve the situation the United States Delegate submitted a proposal to the Allied Health Committee for the establishment of a Narcotics Control Working Party, as follows:

1. . . . It is proposed that a Working Party be appointed to study the question of collecting certain statistics on narcotic drugs with a view to providing such statistics eventually to competent authorities designated by United Nations. Such statistics would be concerned with:

(a) Facilities for the production of narcotic drugs in Germany.

(b) Amounts of narcotic drugs required for medical use within Germany.

(c) Quantities of narcotic drugs currently in the hands of legitimate dealers in Germany.

(d) Whatever other information the Working Party may deem essential to the problem of narcotic control.

2. In the belief that such statistics can best be collected by German civil authorities acting un-

der authority of the German opium law of 1929 and subsequent provisions, it is further proposed that this law be studied by the Working Party in order to make recommendations for:

(a) Changes necessary to adapt said law to present circumstances.

(b) The establishment of qualified German civil agencies of uniform structure throughout the zones of occupation to regulate trade in narcotics under the law.

(c) The establishment of facilities for gathering and exchanging information for the suppression of illicit traffic in narcotics.

(d) The establishment of a control office for the collection and distribution of the required information.

3. Because of existing variations among the zones in the enforcement of the aforesaid German opium law, it is believed that the present distribution of narcotics is inefficient and inequitable. In those areas where drugs are needed for legitimate purposes and are not available, great hardship is caused. It is therefore further proposed that the Working Party prepare recommendations which will facilitate:

(a) The distribution of narcotic drugs for medical or scientific needs *within* the zones.

(b) The legitimate trade in narcotics *between* the zones.

It is further proposed that the Working Party make recommendations for the reestablishment and, where necessary, the expansion of facilities for the rehabilitation and cure of addicts by German civil agencies, and for the collection of statistics relative to the incidence of addiction in Germany.

This proposal was considered at a meeting held on September 11, 1946 at Berlin. The Allied Health Committee, after discussing the proposal, agreed (a) that a Working Party be set up; (b) that the terms of reference of the Working Party will be to consider and submit to the Health Committee proposals for the revision of the German opium law of 1929 with a view to adapting it to present circumstances as envisaged in the United States proposal; and (c) that, with the exception of the British member whose name will be submitted later, the composition of the Work-

ing Party will be: United States of America, Mr. Giuliani; Union of Soviet Socialist Republics, Mr. Karpov; and France, Mr. Vergougnon. It was agreed that the first meeting would take place on September 23, 1946. The establishment of a Working Party is gratifying.

The establishment of a Central Agency for narcotics control in Germany under quadripartite supervision, however, would greatly promote efficiency in the control of the traffic in narcotics, thereby reducing addiction and illicit traffic. A tight control system in Germany would remove the possibility of Germany's becoming a potential source of addict infection of other countries.

The cultivation in Germany of vast areas of opium poppies from which morphine can be illicitly extracted, the rise and expansion of black markets in every type of consumer goods, the division of the country into zones and Berlin into sectors, all contribute to making impossible the fulfilment of the international drug conventions.

It is suggested that each occupying Power, pending the establishment of centralized controls,

- (1) Secure the most uniform, effective, and centralized controls possible within their respective areas of responsibility;

- (2) Designate an official to supervise those activities within the respective areas and to act as liaison officer with the Commission on Narcotic Drugs and with each other;

- (3) Arrange for the direct and prompt exchange of information between such officials, and for the prompt transmission to the Commission on Narcotic Drugs of pertinent information regarding illicit traffickers, seizures of contraband drugs, and potential violations connected with traffic across national boundaries or between the respective zones of occupation; and

- (4) Report to the Commission on Narcotic Drugs and to each other (a) the identity of the officer so designated, (b) the stocks of narcotics found to be available for the civilian population and the requirements which must be met, (c) the quantities of each drug which will be required to be imported into the respective areas from outside the country or from other zones, and (d) the circumstances under which such imports will be permitted and the official titles and addresses of the persons authorized to approve them.

The following resolution⁷ proposed by the representative of the United States and amended by the representative of the Union of Soviet Socialist Republics was then adopted unanimously:

THE COMMISSION ON NARCOTIC DRUGS

DESIRING

TO ESTABLISH a narcotic control organization which will ensure adequate supplies of narcotic drugs for the medicinal and scientific requirements of Germany,

TO PREVENT illicit traffic in narcotic drugs,

TO REDUCE addiction, and

TO ENSURE the full application in German territories under Allied Control of all narcotics conventions and the execution by the Allied Control Authorities of all obligations thereunder towards the other Parties to these Conventions and the international control organs (the Commission on Narcotic Drugs of the United Nations, the Permanent Central Opium Board and the Supervisory Body),

REQUESTS the Economic and Social Council to urge the Governments of France, the United Kingdom, the Union of Soviet Socialist Republics and the United States to recommend to the Allied Control Authority to take the necessary measures, at the earliest possible moment, for the establishment of an effective control of narcotics for all Germany.

The United States representative made a report in regard to conditions in Japan concerning narcotic drugs, reading:

The United States Military Government in Japan found that opium was produced in limited quantities in Japan proper, Formosa, Korea, and quite extensively in Manchuria. This report deals with Japan proper. The opium produced in Japan proper was collected by a government monopoly agency, the Tokyo Hygienic Laboratory, and by it distributed to the other monopoly agency at Osaka and to the five privately owned opium factories.

No complete figures of opium production are available in as much as these were kept at the Tokyo Hygienic Laboratory and are alleged to have been destroyed by bombings in 1945.

Figures available at the five factories indicate that, exclusive of the quantities used at the Tokyo and Osaka Monopoly Agencies, 193,447.514 kilograms were distributed between 1930 and 1945.

No information is available from which conclusions as to the probable quantities used at the Tokyo and Osaka plants can be safely drawn. Coca leaves were not produced in Japan proper

⁷ U.N. document E/C.S.7/55, p. 25.

although large quantities were produced in Formosa.

There were six factories in Japan proper manufacturing narcotic drugs from opium and raw morphine:

1. Tokyo Hygienic Laboratory, which produced codeine phosphate.

2. Osaka Hygienic Laboratory, which produced medicinal opium.

3. Hoshi Pharmaceutical Company Industries Limited, which produced heroin hydrochloride and morphine hydrochloride.

4. The Takeda Pharmaceutical Industries Limited, Tokyo, which produced narcopon and morphine hydrochloride.

5. Sankyo Company, Limited, Tokyo, which produced heroin hydrochloride and morphine hydrochloride.

6. The Dai Nippon Pharmaceutical Company, Limited, Osaka, which produced heroin hydrochloride and morphine hydrochloride.

There were five factories producing cocaine from coca leaves procured from South America, Okinawa, and Formosa, and from crude cocaine procured from Formosa:

1. Hoshi Pharmaceutical Company, Limited, Tokyo.

2. Sankyo Company, Limited, Tokyo.

3. Koto Pharmaceutical Manufacturing Company, Shizuoka Prefecture.

4. Takeda Pharmaceutical Industries, Limited, Osaka.

5. The Shionogi Pharmaceutical Company, Limited, Osaka.

The total production of heroin hydrochloride from 1930 through 1944 was 13,798.830 kilograms, or an average of 919.922 kilograms a year.

The total production of morphine hydrochloride from 1930 through 1945 was 14,391.533 kilograms, or an average of 899.471 kilograms a year.

The total production of cocaine hydrochloride from 1930 through 1945 was 16,851.057 kilograms, or an average through 1944 of 1123.404 kilograms a year.

The Hygienic Laboratories at Tokyo and Osaka were government-owned and -operated. The privately owned factories were licensed annually by the Central Government. Factories were required to submit quarterly reports of raw materials proc-

essed and production therefrom. There was no limitation as to quantities of narcotic drugs they could sell, and no records or reports of sales were required. There was no governmental inspection or supervision of these plants.

Jobbers and wholesalers were not licensed by the Central Government but obtained authorization annually from the Governor of each prefecture to deal in narcotic drugs. They were not required to submit reports as to their purchases, sales, or inventories. This careless system accounted for large-scale diversion.

Any physician or pharmacist duly licensed by the Ministry of Health and Social Affairs to engage in his respective profession was *ipso facto* authorized to purchase, sell, or dispense narcotic drugs. No further annual registration was necessary. He was not required to maintain records of his purchases, sales, or inventories.

No periodical inspection or supervision of manufacturers, wholesalers, physicians, or pharmacists was carried out. There was, therefore, no organized control over distribution.

No effort was made by the manufacturers and wholesalers to safeguard their crude and finished narcotic-drug stocks. These drugs were stored in unprotected rooms with glass, paneled, or thin wire screen doors, with cheap locks which could be easily forced. Crude and processed drugs were scattered throughout the laboratories, and in the largest plant in Japan women were seen preparing packages of morphine under open sheds in the yard.

This situation has been corrected by the installation of brick storage vaults, heavy steel doors, and dial combination locks.

The officials of the Japanese Government and the manufacturers maintained that their production merely equaled their consumption and that the narcotic drugs they produced were only sufficient to meet their legitimate medical needs.

No authentic figures were available as to the number of addicts in Japan proper; however, it has been disclosed that the number is probably considerably greater than the reports of Japanese officials have led us to believe.

A raid on a Geisha House during the summer of 1946 disclosed that 4 of the 7 inmates were addicted. Some addicts have been found who require 10 grains morphine daily. One addicted

practitioner recently arrested had been posing as a narcotic official in order to gain access to narcotic supplies and had thus robbed 17 hospitals during a 3-month period.

A directive, issued October 12, 1945, prohibited the growth and planting of narcotic-drug plants or seeds and the importation, exportation, and manufacture. It also froze all marihuana and heroin stocks and ordered that all records be preserved and maintained.

A directive, issued November 2, 1945, ordered the seizure of all heroin and its derivatives and preparations and made it unlawful for the Japanese to possess, transport, or sell it.

A directive, issued January 22, 1946, ordered the establishment of an effective narcotic control.

The American armed forces in Japan seized the following amounts of crude and finished narcotic drugs as of January 19, 1946:

	Kilograms
Crude opium	47, 838
Medicinal opium	620
Morphine hydrochloride	1, 235
Morphine sulphate	15
Crude morphine	871
Coca leaves	14, 500
Crude cocaine	888
Cocaine hydrochloride	775

Seizure reports will be submitted.

Eight Japanese were arrested in April 1946 and later convicted of an attempt to smuggle into Japan approximately seven tons of opium which had been removed from army stocks in Manchuria.

There was no central authority for the suppression of the illicit traffic, and the maximum sentence under the Home Ordinances was three months. The situation was corrected, on June 19, 1946, by the enactment of narcotic legislation similar to the American narcotic law which provides for annual registration, monthly reports, sales by means of order forms or prescriptions, et cetera. The penalty was increased to five years. As of July 19, 1945, 77,311 were already registered under the provisions of the new Act. Enforcement in charge of an American official is being carried out by approximately 200 native inspectors. Courts are now meting out five-year sentences, which inaugurates a new era in narcotic enforcement in Japan. Stocks have been inventoried and those held by registrants have been leveled off to a six-month supply.

The Japanese Government wilfully violated its treaty obligations. It has been definitely established from a survey of the production records of the drug factories and interviews with officials that the Japanese Government knowingly submitted to the Permanent Central Opium Board false and fraudulent reports, grossly understating and thereby concealing their actual production of narcotic drugs, particularly heroin.

Two sets of records were maintained by the Japanese Government, one false, which was furnished the Board, and another containing true production figures. One official, when questioned regarding these records, stated this falsification was done "to save the face of Japan". The official was removed from office by the Japanese Government at the direction of the Military Government.

A comparison of true production of heroin with the quantities reported to the Board during the years 1937 and 1938 is as follows:

	Quantity Reported to Board	Actually Produced
	Kilograms	Kilograms
1937	200	1673. 965
1938	200	1392. 469

On October 27, 1937, the Japanese Government, through Eiichi Baba, Minister of Home Affairs, issued Directive No. 29, marked "Most Secret" directing certain drug manufacturers to produce stipulated quantities of heroin hydrochloride and morphine hydrochloride for the Manchurian Government. Quoted are articles (1) and (5) of the Directive.

(1) To enforce the Monopoly of narcotic drugs in Manchuria, the production for the necessary amount to be supplied to the Monopoly Bureau of that said country is approved.

(5) Extreme secrecy is to be maintained concerning these productions and storings.

In compliance with this directive, between October 1937 and August 1938, 1,199,600 kilograms of heroin hydrochloride and 300 kilograms of morphine hydrochloride were produced in Japan and shipped to the Opium Monopoly Bureau, Army Arsenal, Mukden, Manchuria. The raw morphine for the production was furnished by the Formosa Government. Neither the production nor the shipments of the heroin hydrochloride or of the morphine hydrochloride were reported to the Permanent Central Opium Board by the Japanese Government. This vividly demonstrates the need for inspection by an international body if treaties controlling a commodity are to be effective.

The Permanent Central Opium Board which met in London during October of this year stated:

It is evident that the American occupying authorities have taken great interest in the control of narcotics and have taken especial care to establish a strict centralized supervision. The Board desires to express its appreciation to the military authorities responsible at Pacific Headquarters for their work . . .

The United States representative also read a statement regarding the indictment of certain Japanese for war crimes, as follows:

The indictment, presented to the International Military Tribunal for the Far East, charges 28 high Japanese officials with certain war crimes. During the whole period covered by the indictment, successive Japanese Governments, through their military and naval commanders and civilian agents in China and other territories which they had occupied or designed to occupy, pursued a systematic policy of weakening the native inhabitants' will to resist by atrocities and cruelties, by force and threats of force, by bribery and corruption, by intrigue among local politicians and generals, by directly and indirectly encouraging increased production and importation of opium and other narcotics, and by promoting the sale and consumption of such drugs among such people. The Japanese Government secretly provided large sums of money, which, together with profits from the government-sponsored traffic in opium and other narcotics and other trading activities in such areas, were used by agents of the Japanese Government for all the above-mentioned purposes. At the same time, the Japanese Government was actively participating in the proceedings of the League of Nations Committee on Traffic in Opium and Other Dangerous Drugs and, despite her secret activities above-mentioned, professed to the world to be cooperating fully with other member nations in the enforcement of treaties governing traffic in opium and other narcotics to which she was a party.

This participation in and sponsorship of illicit traffic in narcotics was effected through a number of Japanese governmental organizations such as the Manchurian Affairs Board, the China Affairs Board, and the Southern Region Affairs Board, which were combined in 1942 to form the Greater East Asia Ministry, and numerous subsidiary organizations and trading companies in the various

occupied and so-called independent (puppet) countries which were operated or supervised by senior officers or civilian appointees of the Army and the Navy.

Further, revenue from the above-mentioned traffic in opium and other narcotics was used to finance the preparation for and waging of the wars of aggression set forth in the indictment and to establish and finance the puppet governments set up by the Japanese Government in the various occupied territories.

The representative of the United States also furnished the Commission with the following information concerning the narcotics situation in the United States occupied zone in Korea:

Prior to 1921 opium was grown freely and sold freely in Korea. In 1921 the Korean Government ordered farmers to cultivate opium poppies and licensed opium poppy farmers. The Government collected and analyzed the opium and sold it on contract to the Taisho Drug Company of Seoul, Korea, which used it to manufacture morphine, medicinal opium, and other opium products. Distribution of these products was made by the Taisho Drug Company.

In 1929 the Taisho Drug Company illegally exported morphine to Manchuria, as a result of which their contract was canceled and the drug company closed. The Korean Government then undertook the manufacture of morphine, medicinal opium, and other opium products and opened a factory in Seoul, Korea, for this purpose. In 1938 a factory for collecting and analyzing opium was opened in Northern Korea at Hamhung. In April 1943 the factory at Hamhung was moved to Seoul and consolidated with the factory in Seoul, the combined factories being known as the Monopoly Bureau Medicinal Drug Factory.

The cultivation and collection of opium showed a rapid increase between 1920 and the present time, as shown by the following figures taken from available records:

	<i>Kilograms</i>
1920	154. 35
1930	1, 399. 9
1935	18, 160. 4
1941	50, 734. 8
1943	39, 433. 0

The amount of opium collected was augmented by opium confiscated by the authorities, which also

increased rapidly as indicated by the following figures taken from available records:

	<i>Kilograms</i>
1926	139
1935	732
1940	1,883
1944	5,296

The factory at Seoul manufactured morphine, heroin, and medicinal opium. A small amount of codeine was manufactured in 1945. Some of the heroin manufactured was used in Korea, but most of it was exported to Manchuria. All the medicinal opium manufactured was used in Korea, and all the morphine manufactured (except that used for heroin) was used in Korea, except 500 kilograms which were produced for the Japanese Army in 1944. All other narcotic drugs used in Korea except dihydromorphine hydrochloride were imported from Japan. A very large percentage of the opium produced in Korea was exported to Manchuria, Kwantung Leased Territory (Dairen), and Formosa. The "ammonium chloride process" was used to extract morphine from opium at the Seoul factory. This process leaves about 4 percent morphine in the opium residue. The residue was mixed with good opium and sold to Formosa and Manchuria.

The figures of the Monopoly Bureau Medicinal Drug Factory on morphine differ considerably from those submitted by the Japanese Government to the Permanent Central Opium Board from 1935 to 1939. For instance, the Japanese Government reported no manufacture of morphine in Korea in 1935, 1936, 1937, and 1938, and the manufacture of only 30 kilograms in 1939. The Factory's records, however, indicate manufacture of 84 kilograms in 1935, 87 kilograms in 1938, and 141 kilograms in 1939.

The most significant figures obtained are those with regard to heroin manufacture and export. The Japanese Government's reports to the Permanent Central Opium Board showed no manufacture or exportation of heroin from 1935 through 1939. The figures obtained from the Monopoly Bureau Medicinal Drug Factory, however, reveal that 1,244 kilograms of heroin were produced in 1938, and 1,327.1 kilograms of heroin were produced in 1939. In each of those two years, 1,200 kilograms were shipped to the Manchukuo Monopoly Bureau. No such quantities were manu-

factured before 1938 or after 1939—the years during which the Japanese conquest of North China took place. The normal annual heroin requirements for China prior to 1938 were 15 kilograms, and the total world medicinal needs for heroin for 1938 and 1939, according to the annual statements of the Drug Supervisory Body, were less than 1,200 kilograms for each year. The output of this one heroin factory was more than the world medical needs for heroin, and this was only one of a number of factories producing drugs for the Japanese.

Thus the charges made by the American representative before the Opium Advisory Committee in 1937, 1938, and 1939 in Geneva are fully supported. Not only did the Japanese Government deliberately falsify its reports to an international control agency set up under a treaty to which it was a party, but the Japanese Army committed a flagrant violation of article 10 of the 1931 narcotics limitation convention in the illegal use of heroin as a weapon of warfare for the purpose of demoralization of the Chinese population in conquered areas.

The Government General of Korea from 1935 to 1945 licensed the Kyowa Drug Company of Seoul to manufacture dihydromorphine hydrochloride (dilaudid). Ten kilograms of dihydromorphine hydrochloride were produced each year from 1935 to about 1941, and five kilograms a year were produced thereafter until 1945. Reports indicated that approximately 18.6 kilograms of morphine hydrochloride were used to produce ten kilograms of dihydromorphine hydrochloride. This drug was marketed in ampules under the trade names "neopedinol" and "mordyne". Approximately five kilograms of dihydromorphine hydrochloride were used for consumption in Korea and, in years when ten kilograms were produced, five kilograms of the product were exported or sold to the Japanese Army and Navy. "Neopedinol" and "mordyne" were considered by the Japanese as so-called "exempt preparations".

Dried poppy pods and poppy seed were also collected from the opium farmers. The poppy pods were sold without restriction to herb doctors and drug firms who used them to manufacture cough syrups and other preparations. One common cough preparation made from poppy pods was marketed under the name of "apiozol". Poppy

seeds not needed to plant the next year's crop were pressed to produce poppy-seed oil, a highly flavored vegetable oil which sold at a comparatively high price.

The opium grown in the United States-occupied zone in Korea (south of 38 degrees north latitude) was generally of a poorer grade than that grown in the U.S.S.R.-occupied zone in Korea (north of 38 degrees north latitude), averaging 8 to 10 percent morphine content as against 10 to 14 percent morphine content for opium grown in North Korea. According to records available, the following table shows the approximate distribution of the opium crop between North and South Korea for the year of 1943:

	South Korea	North Korea	Total
Opium collected, kilograms . .	5,698 . .	34,735 . .	39,433
Area of cultivation, acres . .	3,817 . .	14,725 . .	18,542
Number of licensed farmers . .	29,024 . .	50,336 . .	79,360

The figures for 1944 were similar to those for 1943, and for the last several years North Korea has produced approximately 85 percent of the opium crop, and South Korea, 15 percent.

In 1945 the number of licensed farmers showed an increase of about 5,000, but the allotted area for opium cultivation remained about the same as in 1943 and 1944, and, therefore, under normal conditions the 1945 opium crop should have been about 40,000 kilograms. However, the summer of 1945 was reported to have been excessively wet and the losses to the opium crop in South Korea due to flood and excessive rain during the collecting season was estimated as high as 40 percent. It is not known whether or not the excessive rain affected the opium crop in North Korea. Every effort was made to collect the 1945 opium crop in South Korea in the usual manner. It is not known what was done with the opium crop in North Korea (U.S.S.R.-occupied territory). This crop should have been between 20,000 and 35,000 kilograms of raw opium. I should like to ask the representative of the Union of Soviet Socialist Republics whether he is in a position to report on the narcotics situation in North Korea, particularly on the quantity of opium discovered or seized and its disposition.

The approximate quantities of narcotic drugs seized in the United States zone in Korea up to May 1946, most of which were seized in the Medicinal Drug Factory and in and near Seoul, are as follows:

	Kilograms
Raw opium	28,035
Raw and refined morphine	816
Morphine hydrochloride	104.8
Powdered opium, medicinal	23.5

All the above drugs were stored under guard at the Medicinal Drug Factory. In addition to the above-listed narcotic drugs approximately 3,650 kilograms of low-grade opium and opium residue and 3.78 kilograms of heroin were seized and destroyed. We have asked the United States Army to issue seizure reports covering these seizures. I shall report briefly on two of the most important.

Prior to the surrender of the Japanese forces in Korea, high Japanese officials there released on September 6, 1945, through the Monopoly Bureau of the Government General, a large order of 7,999 kilograms of opium to the Japanese Navy. After the surrender of Japan, the same high Government officials released another large order of 8,440 kilograms of opium to the Japanese Army.

Through investigation by United States authorities and Korean Civil Police, of the 7,999 kilograms of opium released to the Japanese Navy, a total of 7,270 kilograms was recovered, leaving 729 kilograms of opium unaccounted for. Of the 8,440 kilograms released to the Japanese Army, a total of 5,380 kilograms was recovered, leaving 3,060 kilograms of opium unaccounted for.

The recovered opium was stored in the Monopoly Bureau Opium Warehouse with other opium and narcotic drugs and kept under heavy guard. The diversion of the opium from both the Army and Navy shipments caused the investigation and arrest of some 75 Japanese and Koreans in the Seoul district.

The first case was tried in Korean Civil Court on December 3, 1945, where two Japanese each received prison terms of eighteen months and one Korean received a prison term of four months, after conviction. The second case involved two Japanese defendants and was tried in Military Provost Court on December 10, 1945. They pleaded guilty and were sentenced for the sale and possession of opium to prison terms of three years at hard labor each and fines of 50,000 yen. In the event the fines are not paid, they will serve additional terms of two years. The remaining defendants were either fugitives or incarcerated on cases pending trial.

About 1930, Sagoya Yoshiaki assassinated Hamaguchi, Prime Minister of Japan. He was

convicted of this crime and sentenced to death but was never executed because of his connection with the Japanese Military. About 1940 he was released from prison and exiled to Manchuria where he worked as an aide for Colonel Hashimoto, doing secret work for the Japanese Army. In 1945 Sagoya was in Seoul, Korea, working as a contractor for the Japanese Navy and Army. About September 1, 1945, Sagoya received from Japanese Navy officers approximately 2,600 kilograms of raw opium. On September 30, 1945, Sagoya and several of his associates were arrested by U.S. military personnel and Korean police for illegal sale of opium. On December 10, 1945, Sagoya and others pled guilty before the U.S. Provost Court at Seoul, Korea. He was sentenced to serve three years at hard labor and fined 50,000 yen, with the provision that he serve an additional two years if the fine was not paid. Thirty thousand (30,000) yen seized from Sagoya at the time of his arrest was forfeited to the Government.

In the spring of 1946 measures had been taken or were being taken regarding opium control in the United States zone in Korea:

(a) To prohibit the manufacture, use, exportation, and importation of heroin.

(b) To prohibit the cultivation of opium and coca leaves.

(c) To prohibit the manufacture of opium and narcotic drugs.

(d) To prohibit the exportation of opium and narcotic drugs.

(e) To prohibit the importation of opium and narcotic drugs except for legitimate medical and scientific purposes under proper import permit.

(f) To transfer the supervision of the distribution of narcotic drugs for medical and scientific purposes from the Sanitation Section of the Police Bureau to the Department of Public Health.

(g) To dissolve the Opium Farmers Union and the Poppy Associations.

(h) To close the Monopoly Bureau Medicinal Drug Factory, Seoul, Korea.

In the spring of 1946 the enforcement of narcotic-drug laws was being carried out by Korean police. Enforcement was not too effective, owing to the fact that it was a newly formed police organization and owing to the lack of experience of the members of the organization. However, a conscientious effort was being made to enforce all

laws in the best possible manner with the personnel available.

The extent of drug addiction in Korea is unknown, as the Japanese destroyed their addict records. A few drug addicts were encountered. Some of these ate opium, but most of them injected hypodermically a mixture of opium alkaloids made from raw opium by a crude home-refining process. It is understood that it is common for Koreans to have a small piece of opium in their homes which they eat for different ailments. Opium addiction also occurred among the licensed opium farmers. The only opium-smoking noted in Korea was among the Chinese.

There were many indications that opium was grown secretly in remote areas of Korea and also indications that a considerable number of licensed opium farmers diverted some of their opium crop to illicit channels. The Japanese controlled the cultivation and collection of opium through the Opium Farmers Union and the Poppy Associations. The Opium Farmers Union was actually a subsidiary of the Monopoly Bureau, and officials of the Monopoly Bureau acted as officials of the Opium Farmers Union. The Opium Farmers Union had branches in each county or koon where opium was grown, and these branches were called poppy associations. These associations licensed the farmers to grow a certain area of opium poppies, supervised the cultivation of the poppies and the harvesting of the crop, and collected and paid for the raw opium. They also collected the poppy pods and poppy seed.

The representative of China presented a proposal⁸ regarding the future control of narcotic drugs in Japan, reading as follows:

1. The production of raw materials from which narcotic drugs are manufactured, and the manufacture or conversion of narcotic drugs shall be prohibited in Japan.

2. A stockpile of narcotic drugs shall be established by the United Nations at the proposed Far Eastern Regional Office of United Nations or at some suitable center designated by the Economic and Social Council on the recommendations of the Commission on Narcotic Drugs.

3. The import of narcotic drugs, not exceeding the total of the estimates of the Supervisory Body for medical and scientific needs, shall be permitted only from the United Nations stockpile.

4. The distribution of narcotic drugs within Japan shall be strictly regulated and controlled by the Government of Japan, which shall submit regular reports to the United Nations.

⁸ U.N. document E/C.S.7/14/Rev. 1.

5. The keeping of any reserve or Government stocks of narcotic drugs in Japan shall be prohibited.

6. The export of any of the narcotic drugs shall be prohibited.

7. The above-mentioned measures of narcotics control shall be supervised by United Nations inspectors.

The Chinese representative also introduced the following resolution,⁹ which was approved by the Commission:

That an Ad Hoc Committee of seven members be appointed:

(a) to study the proposal of the Delegation of China regarding the control of narcotic drugs in Japan;

(b) to study the possibility of similar control in respect of Korea;

(c) to recommend what steps, if any, should be taken to have the terms of such control incorporated

(i) in the Peace Treaties which will be concluded between Japan and the Powers concerned; and

(ii) in the Agreements which will be reached in connection with the establishment of a government in Korea.

A suggestion by the United States representative that the proposed stockpile be established by an international authority whose charter would be approved by the Economic and Social Council was accepted as an amendment to the proposal of the Chinese representative. Other representatives felt that adequate control would be effected by requiring all imports of narcotic drugs into Japan to receive the prior sanction of an inspectorate appointed by the United Nations. These alternatives were designated "A" and "B." On a roll call, the representatives of China, Egypt, and the United States voted for alternative A, while the representatives of France, India, Netherlands, Peru, Turkey, and the United Kingdom voted for alternative B. The representatives of Canada, Iran, Mexico, Poland, U.S.S.R., and Yugoslavia abstained from voting.

The Commission recommended that measures of control similar to those adopted in respect of Japan should apply to Korea.

In order that the control measures embodied in the proposal of the Chinese representative should be incorporated in the peace treaty soon to be concluded with Japan, the Commission decided to recommend¹⁰ that the Economic and Social Council should:

(a) send its recommendations in regard to Japan to the Far Eastern Commission with copies to all govern-

ments represented on the Commission and to the Allied military authorities now in control of Japan; and

(b) send its recommendations in respect of Korea to all governments and authorities concerned.

Date of Next Session

The Commission left to the chairman, the vice chairman, and the rapporteur the matter of fixing the date of its next session after consultation with the Secretariat.

The business of the Commission, as indicated above, was carried on efficiently and harmoniously. There is every reason to believe that the Commission in its future sessions will face all problems courageously with a view to strengthening controls and to preventing illicit traffic.

Byrnes—Continued from page 90

cannot buy from us if we are not willing to buy from the world.

We must pursue vigorously our proposed charter for the establishment of an International Trade Organization. That charter is designed to avoid economic warfare between nations and to insure equality of commercial opportunity for all nations, both large and small. We must avoid economic blocs if we wish to avoid political blocs.

After every great war there comes a period of disillusionment. Those who fight together expect too much from one another and are inclined to give too little to one another. They forget that victory in war can only give the opportunity which would otherwise be denied, to live and work for the fruits of peace and freedom.

I admit that during the past year there were times when I was deeply discouraged. Our repeated efforts to achieve cooperation in a peaceful world seemed to be meeting only with constant rebuff. But we persisted in our efforts with patience and with firmness.

Today I am happy to say that I am more confident than at any time since VJ-day that we can achieve a just peace by cooperative effort if we persist "with firmness in the right as God gives us the power to see the right."

We have demonstrated our capacity in war. We must demonstrate our capacity in peace. If we do, our children and the children of men everywhere can inherit a peaceful world of expanding freedom and increased well-being.

To that goal freedom's past inspires us and freedom's future calls us.

⁹ U.N. document E/C.S.7/14/Rev. 1.

¹⁰ U.N. document E/C.S.7/55, p. 29.

First Report of the Atomic Energy Commission to the Security Council

LETTER FROM THE CHAIRMAN OF THE ATOMIC ENERGY COMMISSION TO THE PRESIDENT OF THE SECURITY COUNCIL¹

To the President of the Security Council:

Herewith is presented to the Security Council a report dated 31 December 1946 entitled **THE FIRST REPORT OF THE ATOMIC ENERGY COMMISSION TO THE SECURITY COUNCIL**. This report is submitted as required in Section 2(a) of the Resolution of the General Assembly of 24 January 1946, establishing the Atomic Energy Commission, which directs that the Commission's reports and recommendations be submitted to the Security Council.

This report, which carries the document symbol AEC/18/Rev. 1, has been prepared in accordance with the resolution passed at the sixth meeting of the Atomic Energy Commission held on 13 November, in which the Commission resolved to submit a report containing an account of its proceedings, findings, and recommendations to date to the Security Council by 31 December. At the tenth meeting of the Atomic Energy Commission held on 30 December, the Commission adopted this report, with ten Members voting in the affirmative and with the Representative of the Union of Soviet Socialist Republics and the Representative of Poland abstaining.

It was also agreed, at the same meeting, that any Representative having reservations concerning the text of this report should send them, in writing, to the Chairman of the Atomic Energy Commission for transmittal to the Security Council. The Representative of Poland, in a letter dated 31 December addressed to the Chairman of the Com-

mission, requested that the following observation be included in this letter of transmittal:

"The Representative of Poland considers it to be of paramount importance that the proposals made by the Atomic Energy Commission to the Security Council be of such a character as to command the consent of all permanent Members of the Security Council. As some points treated in the above-mentioned report do not satisfy this condition, the Representative of Poland in the Security Council will feel free to propose such amendments as may contribute towards promotion of consent among the permanent Members, as well as all other Members, of the Security Council."

Continuing its further work along the lines indicated in the report, the Commission will proceed to the further study of the topics noted in the last paragraph of Part I of the report and the other matters contained in its terms of reference with a view to making the specific proposals set forth in the Resolution of the General Assembly of 24 January 1946 and reaffirmed in the Resolution of the General Assembly of 14 December 1946.

DR. MANUEL SANDOVAL-VALLARTA,
Chairman, Atomic Energy Commission

31 December 1946

Lake Success, Long Island

¹ Security Council Document S/239, Jan. 3, 1947. The President of the Security Council for January 1947 is Norman J. O. Makin, Australian Representative on the Security Council and Australian Ambassador to the United States.

**LETTER FROM THE CHAIRMAN OF THE WORKING COMMITTEE TO THE CHAIRMAN OF THE
ATOMIC ENERGY COMMISSION TRANSMITTING THE DRAFT REPORT**

To the Chairman of the Atomic Energy Commission:

Herewith is presented to the Atomic Energy Commission a draft report dated 30 December 1946 and entitled **THE FIRST REPORT OF THE ATOMIC ENERGY COMMISSION TO THE SECURITY COUNCIL**. This report has been drafted in accordance with the instructions of the Atomic Energy Commission given to Committee 2 at the Commission's sixth meeting held on 13 November 1946, and the instructions given to the Working Committee at the Commission's ninth meeting held on 20 December 1946.

The Representative of the Union of Soviet Socialist Republics, at the fifth meeting of the Working Committee held on 27 December 1946, stated that he did not participate in the discussion of the draft report for the reason stated by Ambassador Gromyko at the ninth meeting of the Atomic Energy Commission held on 20 December 1946.

The Representative of Poland, at the fifth meeting of the Working Committee held on 27 December 1946, stated that, in accepting the portion of the draft report as agreed upon by the Working Committee, the Polish Delegation did not prejudice its attitude towards the report as a whole. The Representative of Poland reiterated the view of the Polish Delegation that it was not beneficial to proceed with any resolution or report before complete agreement on principle had been reached among the permanent Members of the Security Council.

The Working Committee in considering **PART II, C. General Findings**, and **PART III, RECOMMENDATIONS**, reached agreement on the draft as herewith submitted to the Atomic Energy Commission, except upon the following points:

PART III, RECOMMENDATIONS, 3(a), end of first paragraph, the amendment submitted by the Representative of Mexico which states:

"The treaty shall provide that the rule of unanimity of the permanent members, which in certain circumstances exists in the Security Council, shall have no relation to the work of the authority. No government shall possess any right of veto over

the fulfillment by the authority of the obligations imposed upon it by the treaty nor shall any government have the power, through the exercise of any right of veto or otherwise, to obstruct the course of control or inspection."

PART III, RECOMMENDATIONS, 3(e), second and third paragraphs, reading as follows:

" . . . Once the violations constituting international crimes have been defined and the measures of enforcement and punishment therefor agreed to in the treaty or convention, there shall be no legal right, by veto or otherwise, whereby a willful violator of the terms of the treaty or convention shall be protected from the consequences of violation of its terms.

"The enforcement and punishment provisions of the treaty or convention would be ineffectual if, in any such situations, they could be rendered nugatory by the veto of a State which had voluntarily signed the treaty."

Since agreement was not reached on the paragraphs from the draft report listed above and since it was especially indicated that no agreement was reached on the words "by veto or otherwise", the Working Committee directed that these points of difference be stated specifically in submitting the draft report to the Atomic Energy Commission.

It was understood that all Representatives reserved their right to bring up any point with respect to this draft report.

/s/ Dr. Manuel Sandoval-Vallarta

/t/ DR. MANUEL SANDOVAL-VALLARTA,
Chairman, Working Committee

30 December 1946,

Lake Success, Long Island

EXCERPTS FROM THE REPORT²

Introduction

This report covers the work of the Atomic Energy Commission from 14 June to 31 December 1946. Under the Resolution of the General Assembly of 24 January 1946, Section I, paragraph 2(a), the Commission is directed to submit its reports and recommendations to the Security Council. The Atomic Energy Commission, on 13 No-

² AEC/18/Rev. 1, Jan. 3, 1947. The complete report will be published as Department of State publication 2737.

vember 1946, resolved to submit to the Security Council by 31 December 1946 a report of its proceedings, findings, and recommendations based upon its deliberations to date. The report that follows contains five parts:

- I. Proceedings.
- II. Findings.
- III. Recommendations.
- IV. First Report on Scientific and Technical Aspects of the Problem of Control.
- V. First Report on Safeguards Required to Ensure the Use of Atomic Energy Only for Peaceful Purposes.

This report is offered as an interim report; its purpose is to set forth in the form of findings and recommendations the progress that has been made to date in the deliberations of the Atomic Energy Commission and its various committees and informal meetings.

A chronological calendar of meetings of the Commission and its committees is appended (Annex 1).

Part I: Proceedings

At the seventh meeting of the Commission on 5 December, the Representative of the United States presented certain items which he proposed be adopted at a subsequent meeting of the Commission for inclusion in the findings and recommendations contained in its report to the Security Council.³ At its eighth and ninth meeting on 17 and 20 December, the Commission met to discuss these proposals.⁴ On 20 December, the Commission approved and accepted the principles on which these proposals were based, in the terms of the following resolution:

“Resolved that the Commission approves and accepts the principles on which the Findings and Recommendations, proposed by the Representative of the United States of America and contained in document AEC/15/Rev.1, are based, and instructs the Working Committee to include these Findings and Recommendations in the draft of the Commission’s report to be delivered to the Security Council by 31 December 1946, having conformed the wording of such portions of these Findings and Recommendations as deal with the same subject matter to the wording of the relevant parts of the

Text of the General Assembly Resolution of 14 December 1946 on the ‘PRINCIPLES GOVERNING THE GENERAL REGULATION AND REDUCTION OF ARMAMENTS’.”

Many important questions, which have been considered only in broad outline during the course of its deliberations, remain to be further studied by the Commission. These questions include: the detailed powers, characteristics, and functions of the international control agency for which the need is expressed in the “First Report on Safeguards Required to Ensure the Use of Atomic Energy Only for Peaceful Purposes”, including such matters as organization, financing and staffing; the relationships between the agency, the various organs of the United Nations, and the participating States; powers of the agency in matters of research, development, and planning; the provisions for transition to the full operation of the international system of control; and other specific matters which should be included in the international treaty or convention establishing control over atomic energy.

Part II: Findings

A. Findings on the Scientific and Technical Aspects of the Problem of Control.

The Report of the Scientific and Technical Committee on Scientific and Technical Aspects of the Problem of Control, included in its entirety as PART IV of this report, was accepted by Committee 2 as a basis for its future work. The Commission now records its approval of that report and incorporates in its present findings the conclusions summarized therein in Chapter 6, as follows:

“The substances uranium and thorium play a unique role in the domain of atomic energy, since as far as we know these are the only raw materials from which the nuclear fuel required for the development of atomic energy can be obtained. There is an intimate relation between the activities required for peaceful purposes and those leading to the production of atomic weapons; most of the stages which are needed for the former are

³ BULLETIN of Dec. 15, 1946, p. 1090.

⁴ Verbatim Records of Meetings of the Atomic Energy Commission on 17 and 20 December, documents AEC/PV/8 and AEC/PV/9.

also needed for the latter. The character of the different stages of the activities has been discussed in order to explore at each stage the elements of danger and to some extent the problem of safeguards against these dangers.

"With respect to mining operations, which are of special significance as the first step in these activities, it appears hopeful that safeguards are not too difficult. Particular attention should be paid to the installations in which concentrated nuclear fuel is produced since the product lends itself immediately to the production of bombs. Unless appropriate safeguards are taken at each of these stages, it will be difficult to ensure that no diversion of material or installations will take place.

"With regard to the question posed by Committee 2, 'whether effective control of atomic energy is possible,' we do not find any basis in the available scientific facts for supposing that effective control is not technologically feasible. Whether or not it is politically feasible is not discussed or implied in this report, nor is there any recommendation of the particular system or systems by which effective control can be achieved."

B. Findings on the Safeguards to Ensure the Use of Atomic Energy Only for Peaceful Purposes.

The safeguards required at each stage in the production and use of atomic energy for peaceful purposes to prevent the possibilities of misuse indicated in the report of the Scientific and Technical Committee were examined at length in the Informal Conversations of Committee 2. A report on the subject, called the "First Report on Safeguards Required to Ensure the Use of Atomic Energy Only for Peaceful Purposes," was duly prepared, has been approved by the Commission, and is incorporated as PART V of this report.

The summary of the findings of that report is given below. These findings have led to the important conclusion that an international control agency must be responsible for the system of safeguards and control. They also indicate some of the essential functions of the agency. The specific control measures mentioned in the findings are not meant to be definitive but rather to be indicative of the various types of safeguards applicable at each stage. In devising a definite system of control, provision must be made for flexibility in adapting safeguards to a rapidly developing

technology. Moreover, the findings are inter-related and, although the co-ordination of safeguards is discussed to some extent, further measures of co-ordination must be considered before formulating a comprehensive system of control. The findings, therefore, do not represent a plan for atomic energy control but only some of the elements which should be incorporated in any complete and effective plan.

SUMMARY OF FINDINGS

1. Safeguards Necessary to Detect and Prevent Diversion from Declared Activities.

(a) Diversion of Uranium from Declared Mines and Mills.

Adequate safeguards against diversion from declared mines and mills are possible by a system of inspection, including guards, similar to normal managerial operating controls, provided that the inspectorate has unrestricted access to all equipment and operations and has facilities for independent weighing, assay, and analysis.

(b) Diversion of Thorium from Declared Mines and Mills.

Effective control of the raw material and concentrates of thorium is possible through a system of inspection similar to that found adequate for uranium.

(c) Diversion of Uranium and Thorium from Declared Refineries and Chemical and Metallurgical Plants.

Adequate safeguards against diversion from declared refineries and chemical and metallurgical plants are possible by a system of inspection, including guards, similar to normal managerial operating controls, provided that the inspectorate has unrestricted access to all equipment and operations and has facilities for independent weighing, assay, and analysis and provided that it has the right to require the plant to be shut down for purposes of clean-up and accounting at appropriate times and to require efficient operating procedure.

At those stages, there is no fundamental difference between the processes for thorium and for uranium.

(d) Diversion of Uranium from Declared Isotope Separation Plants.

At present, it is not possible to place reliance on the method of obtaining a material balance of uranium isotopes in the case of isotope separation

plants. This is one of the important reasons why there must be internal control of such plants by a director or manager and why the management must be established by and be responsible to the international control agency. Even if the material balance could be greatly improved, the inherent danger of the operation would still require management by the international control agency.

(e) Diversion of Uranium, Thorium, and Plutonium from Declared Nuclear Reactors and Associated Chemical Extraction Plants.

(i) At present, it is not possible to place reliance on the method of obtaining a material balance of plutonium in the case of reactors and associated chemical extraction plants. This is one of the important reasons why the chemical extraction plants and, in some cases, the reactors should be subject to internal control by a director or manager and why the management must be established by and be responsible to the international control agency. Even if the material balance could be greatly improved, the inherent danger of the operations would still require management by the international control agency.

(ii) The safeguards required for the control of reactors will depend on their size and design and especially on their content and possible rate of production of nuclear fuel. The safeguards available to the international control agency should include licensing and inspection, supervision, and management of the operation of reactors. In addition, close supervision of the design and construction of reactors is essential in all cases.

(iii) Periodic inspection, together with licensing, is an adequate safeguard in the case of small research reactors and their associated chemical plants, unless their total content of nuclear fuel or potential rate of output in any area is of military significance.

(iv) Adequate safeguards for chemical extraction plants associated with all except small research reactors are only possible through management by the international control agency.

(v) Adequate safeguards during the preparation of the high-grade or pure nuclear fuels in a suitable form for insertion in secondary reactors, and, during the storage and shipment of such fuels, are only possible through management by the international control agency.

2. Safeguards Necessary to Ensure the Detection of Clandestine Activities.

(a) The international control agency will require broad privileges of movement and inspection, including rights to conduct surveys by ground and air. These privileges should, however, be very carefully defined to ensure against misuse.

(b) Reports and returns on relevant matters will be required from national governments.

(c) The international control agency should co-ordinate all relevant information to determine what areas may be suspected of containing clandestine activities.

(d) Isotope separation plants, reactors, and chemical extraction plants, as well as mines, have distinguishing features which would facilitate the detection of clandestine activities at these stages.

(e) Detection of clandestine refineries and chemical and metallurgical plants is more difficult than detection of clandestine operations at other stages in the processing of nuclear fuel.

(f) The detection of clandestine bomb manufacture as such is almost impossible; it is, therefore, vital that any unauthorized accumulation of essential nuclear fuels be prevented.

3. Seizure.

(a) Problems relating to seizure have been considered thus far only in preliminary terms. The major questions of seizure are political rather than technical. It appears, however, that technical measures could reduce the military advantages and, therefore, the dangers of seizure.

4. Co-ordination of Safeguards.

(a) In addition to material accounting at each individual step in atomic energy processes, the international control agency should provide for material accounting checks between points of shipment and receipt of material as a means of detecting possible diversion in transit.

(b) The international control agency should control the storage and shipment of uranium and thorium materials to the degree necessary for security purposes.

(c) The international control agency should itself store and itself handle all enriched or pure nuclear fuel in transit. This does not necessarily imply ownership either of the materials or of the transit or storage facilities, questions which have not yet been discussed.

(d) Since stocks of concentrated or pure nuclear fuel are acutely dangerous, operations at successive stages in the production of atomic energy should be so scheduled that stocks of materials in transit and in storage are minimized, but without interfering unduly with the development and effectiveness of peaceful activities.

C. General Findings.

The findings of the "First Report on Scientific and Technical Aspects of the Problem of Control" and of the "First Report on Safeguards Required to Ensure the Use of Atomic Energy Only for Peaceful Purposes," while limited to the more technical aspects of the control of atomic energy, provide a basis for further progress by the Commission toward the fulfillment of the terms of reference set out in the General Assembly Resolution of 24 January 1946, establishing a commission to deal with the problems raised by the discovery of atomic energy and other related matters. The Resolution of 14 December 1946 of the General Assembly, entitled "Principles Governing the General Regulation and Reduction of Armaments," provides certain broad and essential political agreements. Based upon the proposals and information presented to the Commission, upon the hearings, proceedings, and deliberations of the Commission to date, and upon the proceedings, discussions, and reports of its several committees and sub-committees, all as set forth in this report, the Commission has made the following additional findings of a general nature:

1. That scientifically, technologically, and practically, it is feasible,

(a) to extend among "all nations the exchange of basic scientific information" on atomic energy "for peaceful ends";*

(b) to control "atomic energy to the extent necessary to ensure its use only for peaceful purposes";*

(c) to accomplish "the elimination from national armaments of atomic weapons";* and

*Commission's terms of reference, Article V, Resolution of the General Assembly, 24 January 1946.

(d) to provide "effective safeguards by way of inspection and other means to protect complying states against the hazards of violations and evasions".*

2. That effective control of atomic energy depends upon effective control of the production and use of uranium, thorium, and their fissionable derivatives. Appropriate mechanisms of control to prevent their unauthorized diversion or clandestine production and use and to reduce the dangers of seizure—including one or more of the following types of safeguards: accounting, inspection, supervision, management, and licensing—must be applied through the various stages of the processes from the time the uranium and thorium ores are severed from the ground to the time they become nuclear fuel and are used. (Cf. "Findings on the Safeguards to Ensure the Use of Atomic Energy Only for Peaceful Purposes", PART II B of this report.) Ownership by the international control agency of mines and of ores still in the ground is not to be regarded as mandatory.

3. That whether the ultimate nuclear fuel be destined for peaceful or destructive uses, the productive processes are identical and inseparable up to a very advanced state of manufacture. Thus, the control of atomic energy to ensure its use for peaceful purposes, the elimination of atomic weapons from national armaments, and the provision of effective safeguards to protect complying States against the hazards of violations and evasions must be accomplished through a single unified international system of control and inspection designed to carry out all of these related purposes.

4. That the development and use of atomic energy are not essentially matters of domestic concern of the individual nations, but rather have predominantly international implications and repercussions.

5. That an effective system for the control of atomic energy must be international, and must be established by an enforceable multilateral treaty or convention which in turn must be administered and operated by an international organ or agency within the United Nations, possessing adequate powers and properly organized, staffed, and equipped for the purpose.

Only by such an international system of control and inspection can the development and use of atomic energy be freed from nationalistic rival-

ries with consequent risks to the safety of all peoples. Only by such a system can the benefits of widespread exchange of scientific knowledge and of the peaceful uses of atomic energy be assured. Only such a system of control and inspection would merit and enjoy the confidence of the people of all nations.

6. That international agreement to outlaw the national production, possession, and use of atomic weapons is an essential part of any such international system of control and inspection. An international treaty or convention to this effect, if standing alone, would fail

(a) "to ensure" the use of atomic energy "only for peaceful purposes",* and

(b) to provide "for effective safeguards by way of inspection and other means to protect complying States against the hazards of violations and evasions",*

and thus would fail to meet the requirements of the terms of reference of the Commission. To be effective, such agreement must be embodied in a treaty or convention providing for a comprehensive international system of control and inspection and including guarantees and safeguards adequate to ensure the carrying out of the terms of the treaty or convention and "to protect complying States against the hazards of violations and evasions".*

Part III: Recommendations

Based upon the findings of the Commission set forth in PART II of this report, the Commission makes the following recommendations to the Security Council with respect to certain of the matters covered by the terms of reference of the Commission, which recommendations are interdependent and not severable, embodying the fundamental principles and indicating the basic organizational mechanisms necessary to attain the objectives set forth in PART II C, General Findings, paragraph 1(a)-(d) above.

1. There should be a strong and comprehensive international system of control and inspection aimed at attaining the objectives set forth in the Commission's terms of reference.

2. Such an international system of control and inspection should be established and its scope and functions defined by a treaty or convention in which all of the nations Members of the United

Nations should be entitled to participate on fair and equitable terms.

The international system of control and inspection should become operative only when those Members of the United Nations necessary to assure its success by signing and ratifying the treaty or convention have bound themselves to accept and support it.

Consideration should be given to the matter of participation by non-Members of the United Nations.

3. The treaty or convention should include, among others, provisions

(a) Establishing, in the United Nations, an international control agency possessing powers and charged with responsibility necessary and appropriate for the prompt and effective discharge of the duties imposed upon it by the terms of the treaty or convention. Its rights, powers, and responsibilities, as well as its relations to the several organs of the United Nations, should be clearly established and defined by the treaty or convention. Such powers should be sufficiently broad and flexible to enable the international control agency to deal with new developments that may hereafter arise in the field of atomic energy. The treaty shall provide that the rule of unanimity of the permanent Members, which in certain circumstances exists in the Security Council, shall have no relation to the work of the international control agency. No government shall possess any right of veto over the fulfilment by the international control agency of the obligations imposed upon it by the treaty nor shall any government have the power, through the exercise of any right of veto or otherwise, to obstruct the course of control or inspection.

The international control agency shall promote among all nations the exchange of basic scientific information on atomic energy for peaceful ends, and shall be responsible for preventing the use of atomic energy for destructive purposes, and for the control of atomic energy to the extent necessary to ensure its use only for peaceful purposes.

The international control agency should have positive research and developmental responsibilities in order to remain in the forefront of atomic knowledge so as to render the international control agency more effective in promoting the bene-

* Commission's terms of reference, Article V, Resolution of the General Assembly, 24 January 1946.

ficial uses of atomic energy and in eliminating its destructive ones. The exclusive right to carry on atomic research for destructive purposes should be vested in the international control agency.

Research in nuclear physics having a direct bearing on the use of atomic energy should be subject to appropriate safeguards established by the international control agency in accordance with the treaty or convention. Such safeguards should not interfere with the prosecution of pure scientific research, or the publication of its results, provided no dangerous use or purpose is involved.

Decisions of the international control agency pursuant to the powers conferred upon it by the treaty or convention should govern the operations of national agencies for atomic energy. In carrying out its prescribed functions, however, the international control agency should interfere as little as necessary with the operations of national agencies for atomic energy, or with the economic plans and the private, corporate, and State relationships in the several countries.

(b) Affording the duly accredited representatives of the international control agency unimpeded rights of ingress, egress, and access for the performance of their inspections and other duties into, from and within the territory of every participating nation, unhindered by national or local authorities.

(c) Prohibiting the manufacture, possession, and use of atomic weapons by all nations parties thereto and by all persons under their jurisdiction.

(d) Providing for the disposal of any existing stocks of atomic weapons and for the proper use of nuclear fuel adaptable for use in weapons.

(e) Specifying the means and methods of determining violations of its terms, setting forth such violations as shall constitute international crimes, and establishing the nature of the measures of enforcement and punishment to be imposed upon persons and upon nations guilty of violating the terms of the treaty or convention.

The judicial or other processes for determination of violations of the treaty or convention, and of punishments therefore, should be swift and certain. Serious violations of the treaty shall be reported immediately by the international control agency to the nations parties to the treaty, to the General Assembly and to the Security Council. Once the violations constituting international

crimes have been defined and the measures of enforcement and punishment therefore agreed to in the treaty or convention, there shall be no legal right, by veto or otherwise, whereby a willful violator of the terms of the treaty or convention shall be protected from the consequences of violation of its terms.

The enforcement and punishment provisions of the treaty or convention would be ineffectual if, in any such situations, they could be rendered nugatory by the veto of a State which had voluntarily signed the treaty.

4. In consideration of the problem of violation of the terms of the treaty or convention, it should also be borne in mind that a violation might be of so grave a character as to give rise to the inherent right of self-defense recognized in Article 51 of the Charter of the United Nations.

5. The treaty or convention should embrace the entire programme for putting the international system of control and inspection into effect and should provide a schedule for the completion of the transitional process over a period of time, step by step, in an orderly and agreed sequence leading to the full and effective establishment of international control of atomic energy. In order that the transition may be accomplished as rapidly as possible and with safety and equity to all, this Commission should supervise the transitional process, as prescribed in the treaty or convention, and should be empowered to determine when a particular stage or stages have been completed and subsequent ones are to commence.

Here follows:

Part IV: A First Report on the Scientific and Technical Aspects of the Problem of Control, consisting of:

Introduction;

Chapter 1. The Production of Nuclear Fuels;

Chapter 2. Utilization of Nuclear Fuels;

Chapter 3. Peaceful Uses of Atomic Energy and Their Bearing on Control;

Chapter 4. Clandestine Activities;

Chapter 5. Future Developments;

Chapter 6. Summary and Conclusions;

Appendix 1. Pictorial Chart of the Processes Using Uranium to Produce Atomic Energy;

Appendix 2. Atomic Energy Flow Chart; and

Appendix 3. Some Relevant Data on Cost and Size of the United States Atomic Bomb Project.

Part V: First Report on Safeguards Required to Ensure the Use of Atomic Energy Only for Peaceful Purposes, containing eight chapters. (See p. 108 for summary.)

Here follow:

- Annex 1. Chronological Calendar of Meetings of the Atomic Energy Commission and its Committees during the period 14 June to 31 December 1946;
- Annex 2. List of Representatives and Advisers to the United Nations Atomic Energy Commission 14 June to 31 December 1946;
- Annex 3. Summary Records of Meetings of Subcommittee 1 held on 1, 2, 5, 8, and 11 July 1946 (document AEC/C.1/Sub.1/1-5);
- Annex 4. Working Documents Submitted by Members of the Atomic Energy Commission (documents AEC/C.1.(WC)/2, 17 July and AEC/C.1.(WC)/2/Corr.1, 9 September 1946);
- Annex 5. Summary Records of Meetings of Committee 2 held on 17, 24, 26, and 31 July and 6 August 1946 (documents AEC/C.2/1-5 and AEC/C.2/4/Corr.1);
- Annex 6. Provisional List of Topics for Consideration by the Legal Advisory Committee (Appendices I and II, document AEC/C.4/3, 7 August 1946);
- Annex 7. A Suggested Programme of Work—Committee 2 (Appendix 1, document AEC/C.2/W.1, 14 October 1946); and
- Annex 8. List of Experts Participating in the Informal Conversations of Committee 2.

First Meeting of Commission of Investigation Scheduled¹

An informal meeting of representatives of members of the Security Council took place on January 3 at Lake Success under the chairmanship of Mr. Paul Hasluck of Australia.

The meeting was devoted to a discussion of the technical arrangements for the Commission of Investigation the Security Council is sending to Greece, Yugoslavia, Bulgaria, and Albania to investigate the frontier incidents which formed the basis for the Greek complaint before the Council.²

It was decided to hold the first meeting of the Commission on January 30 in Athens, which is

to be the meeting point of the members of the Commission. The Commission will consist of representatives of all 11 members of the Security Council and their staffs. The Secretary-General expects to receive the names of the representatives nominated by the 11 governments within the next few days.

The Secretary-General is going to address a letter to the Governments of Greece, Yugoslavia, Bulgaria, and Albania asking them to supply to the Commission transportation, food, and accommodation, which services and facilities will be paid for by the Commission.

The Secretary-General will also request the four governments concerned to accord to all members of the Commission and the staff all the privileges and immunities necessary for the exercise of the Commission's functions, in accordance with article 105 of the Charter of the United Nations.

The Commission will have at its disposal a small staff of members of the United Nations Secretariat headed by Col. A. Roscher Lund, Special Assistant to the Secretary-General.

This staff will include a press officer from the Press Division of the United Nations, Stanley Ryan, and a photographer and cameraman.

U. S. Representatives on Commission of Investigation of Greek Border Incident

The Department of State announced on January 2 that Mark Etheridge, American representative on the Commission of Investigation of the Greek border incident, would be accompanied by Harry N. Howard, Norbert L. Anschuetz, and Cyril Black.

Mr. Howard is Chief of the Near Eastern Branch of the Division of Research for Near Eastern and African Affairs, and Mr. Anschuetz is Information Officer of the Office of Near Eastern and African Affairs, in the Department of State. Mr. Black is a member of the Princeton University faculty and was formerly an officer in the Division of Southern European Affairs, Department of State.

¹ Released to the press by the United Nations Jan. 3, 1947.

² For text of resolution establishing the Commission, see BULLETIN of Jan. 5, 1947, p. 23.

Summary Statement by the Secretary-General

MATTERS OF WHICH THE SECURITY COUNCIL IS SEIZED AND OF THE STAGE REACHED IN THEIR CONSIDERATION¹

Pursuant to Rule 11 of the Provisional Rules of Procedure of the Security Council, I wish to report that as of 3 January 1947 the Security Council is seized of the following matters:

1. The Iranian Question
2. Special Agreements Under Article 43 of the Charter
3. Rules of Procedure of the Security Council
4. Statute and Rules of Procedure of the Military Staff Committee
5. Rules concerning the Admission of New Members
6. Re-examination of applications for Membership
7. The Greek Question
8. The General Regulation and Reduction of Armaments

The stage reached in the consideration of items

¹ Security Council Document S/238, Jan. 3, 1947. For statement by Trygve Lie, Secretary-General of the United Nations, as of Dec. 13, see BULLETIN of Dec. 29, 1946, p. 1172.

² The following is the text of the proposal submitted by the U.S.S.R. Representative, Andrei A. Gromyko, in a letter to the Secretary-General under date of Dec. 27, 1946. (See S/229, Dec. 28, 1946.)

Considering that the general regulation and reduction of armaments and armed forces is the most important measure for the strengthening of international peace and security and that the implementation of the General Assembly's decision on this question is one of the most urgent and most important tasks facing the Security Council, the Council resolves:

1. To proceed with the working out of practical measures on the implementation of the General Assembly's decision of 14 December 1946, on the general regulation and reduction of armaments and armed forces and on the establishment of international control assuring the reduction of armaments and armed forces.

1 through 7 is set forth in document S/223. The stage reached in the consideration of item 8 is as follows:

The General Regulation and Reduction of Armaments

By letter dated 28 December 1946 addressed to the Secretary-General (document S/229) the Representative of the U.S.S.R. submitted a proposal regarding the implementation of the resolution of the General Assembly on the "Principles Governing the General Regulation and Reduction of Armaments".²

At its 88th meeting on 31 December 1946 the Council decided to place the U.S.S.R. proposal on its agenda and consider this matter at the Council's first meeting in 1947. The Representative of the United States submitted a draft resolution for consideration at the same meeting.³

2. To establish a commission of the representatives of countries members of the Security Council which has to be charged to prepare and submit to the Security Council within a period of from one to two months but not later than three months its proposals in accordance with Paragraph 1 of this decision.

³ The following is the text of the U.S. resolution submitted by the U.S. Representative at the 88th meeting of the Security Council. (See S/233, Dec. 31, 1946.)

THE SECURITY COUNCIL RESOLVES THAT

1. Pursuant to the General Assembly Resolution of 14 December concerning the "Principles Governing the General Regulation and Reduction of Armaments", it gives first priority to the establishment of international control over atomic energy and, accordingly, it will consider and act upon the forthcoming report of the Atomic Energy Commission as soon as received.

2. It will thereafter consider what further practical measures it should take and in what order of priority for the implementation of the said General Assembly Resolution.

Resolution on Voting Procedure in the Security Council

LETTER FROM THE SECRETARY-GENERAL TO THE PRESIDENT OF THE SECURITY COUNCIL¹

2 January 1947

SIR,

I have the honour to transmit the following resolution adopted by the General Assembly at its sixty-first plenary meeting held on 13 December 1946:

"VOTING PROCEDURE IN THE SECURITY COUNCIL THE GENERAL ASSEMBLY

MINDFUL of the purposes and principles of the Charter of the United Nations, and having taken notice of the divergencies which have arisen in regard to the application and interpretation of Article 27 of the Charter;

EARNESTLY REQUESTS the permanent members of the Security Council to make every effort, in consultation with one another and with fellow members of the Security Council, to ensure that the use of the special voting privilege of its permanent members does not impede the Security Council in reaching decisions promptly;

RECOMMENDS to the Security Council the early adoption of practices and procedures, consistent with the Charter, to assist in reducing the difficulties in the application of Article 27 and to ensure the prompt and effective exercise by the Security Council of its functions; and

FURTHER RECOMMENDS that, in developing such practices and procedures, the Security Council take into consideration the views expressed by Members of the United Nations during the second part of the first session of the General Assembly."

I have the honour to request you to be so good as to bring this resolution to the attention of the Security Council.

I have the honour to be, Sir,

Your obedient Servant,

TRYGVE LIE
Secretary-General

The HON. N. J. O. MAKIN

PRESIDENT OF THE SECURITY COUNCIL

Replies From 29 Nations on Action Taken in Accordance With Resolution on Spain²

The Secretary-General of the United Nations on December 20, 1946 sent a circular telegram to the member governments requesting that he be informed, as soon as possible, of action taken by the respective governments in accordance with the recommendation relating to the recall from Madrid of ambassadors and ministers plenipotentiary accredited there contained in the resolution on relations between Spain and the United Nations, adopted by the General Assembly at its 59th plenary meeting.³

Up to January 6, 1947, 29 replies have been received and they may be classified as follows:

1. States which declared that they had no diplomatic relations with the Franco government at the time of the adoption of the General Assembly's resolution:

Afghanistan, Australia, Belgium, Bolivia, Canada, Ethiopia, Guatemala, Iceland, India, Iraq, Lebanon, Luxembourg, New Zealand, Norway, Poland, Saudi Arabia, Siam, Union of South Africa, Venezuela, Yugoslavia.

2. States which declared in the following form that they had no ambassadors or ministers ac-

(Continued on page 122)

¹ Security Council Document S/237, Jan. 3, 1947.

² Released to press by the United Nations Jan. 7, 1947.

³ BULLETIN of Dec. 22, 1946, p. 1143.

Bodies Established by General Assembly During Second Part of First Session¹

Advisory Committee on Administrative and Budgetary Questions. Doc. No. A/193, approved at 49th meeting, 11/19/46.

Aghnides (Greece), Ganem (France), Hsia (China), Kabushko (U.S.S.R.), Kirpalani (India), Machado (Brazil), Martinez Cabanas (Mexico), Matthews (U.K.), Stone (U.S.).

Board of External Auditors. Doc. A/208, approved at 50th meeting, 12/7/46.

Auditors-General of: Ukrainian S. S. R., Sweden, Canada.

Committee on Contributions (3 new members). Doc. A/215, approved at 50th meeting, 12/7/46.

Dzung (China), Papanek (Czechoslovakia), Webb (U.S.).

Committee on Progressive Development of International Law and its Codification. Doc. A/222, approved at 55th meeting, 12/11/46.

Argentina, Australia, China, Colombia, Egypt, France, India, Netherlands, Panama, Poland, Sweden, U.S.S.R., U.K., U.S., Venezuela, Yugoslavia, Brazil.

International Children's Emergency Fund. Doc. A/230, A/230/Corr. 1, approved at 56th meeting 12/11/46.

Argentina, Australia, Brazil, Byelorussian S. S. R., Canada, China, Colombia, Czechoslovakia, Denmark, Ecuador, France, Greece, Iraq, Netherlands, New Zealand, Norway, Peru, Poland, Sweden, Ukrainian S.S.R., Union of South Africa, U.S.S.R., U.K., U.S., Yugoslavia.

Special Technical Committee (Post—UNRRA Relief).

Doc. A/237, approved at 56th meeting, 12/11/46.

Argentina, Brazil, Canada, China, Denmark, France, Poland, U. K., U. S., U. S. S. R.

Ad hoc Committee to Organize Information Transmitted under Article 73 (e) of Charter. Doc. A/249, A/249/Corr. 1, A/249/Add. 1, approved at 64th meeting, 12/14/46.

Australia, Denmark, U. S., U. K., France, Belgium, New Zealand, Netherlands, China, Egypt, India, Brazil, U. S. S. R., Philippines, Cuba, Uruguay.

Trusteeship Council. Doc. A/258, A/258/Add. 1, A/258/Rev. 1, A/258/Corr. 2, approved at 63d meeting, 12/14/46.

Mexico, Iraq, U. S., U. S. S. R., China, Australia, Belgium, U. K., New Zealand, France.

Headquarters Advisory Committee. Doc. A/277, approved at 65th meeting, 12/14/46.

Australia, Belgium, Brazil, Canada, China, Colombia, France, Greece, India, Norway, Poland, Syria, U. K., U. S., U. S. S. R., Yugoslavia.

Committee on Staff Benefits. Doc. A/262, approved at 66th meeting, 12/15/46.

Belgium, U. S. S. R., U. S.

Committee on Procedures and Organization. Doc. A/279, approved at 66th meeting, 12/15/46.

Argentina, Belgium, Canada, China, Cuba, Denmark, France, Greece, Haiti, Peru, Ukrainian S. S. R., U. K., U. S., U. S. S. R., Yugoslavia.

¹ U.S. Delegation Document US/A/238, Dec. 27, 1946.

Addresses, Statements, and Broadcasts of the Week

The President	The State of the Union. Excerpts in this issue.	Made before a joint session of Congress on Jan. 6.
The Secretary of State	"We Must Demonstrate Our Capacity in Peace." In this issue.	Address made at Cleveland, Ohio, on Jan. 11.
Gen. George C. Marshall	The Situation in China. In this issue.	Statement released in Washington on Jan. 7.
Assistant Secretary Benton	Report on UNESCO. Press release 11 of Jan. 7. Not printed.	Address made before Chicago Council of Foreign Relations, Chicago, Ill., on Jan. 9.
Assistant Secretary Hilldring	Public Support Necessary for Success of Occupation Policies. Excerpts in this issue.	Address delivered at Beverly Hills, Calif., on Jan. 7.
James K. Penfield, Deputy Director, Office of Far Eastern Affairs.	U.S. Policy in Japan. Press release 26 of Jan. 9. Not printed.	NBC University of the Air program on Jan. 9.
Lt. Gen. John R. Hodge	U.S. Policy Toward a Unified Government in Southern Korea. In this issue.	Statement issued at Seoul on Jan. 4.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

*Calendar of Meetings*¹

In Session as of January 12, 1947		
Far Eastern Commission	Washington	Feb. 26
United Nations:		
Security Council	Lake Success	Mar. 25
Military Staff Committee	Lake Success	Mar. 25
Commission on Atomic Energy	Lake Success	June 14
UNRRA - Intergovernmental Committee on Refugees (IGCR), Joint Planning Committee	Washington and Lake Success . .	July 25
Telecommunications Advisory Committee	Lake Success	Nov. 10
German External Property Negotiations:		
With Portugal (Safehaven)	Lisbon	Sept. 3
With Spain (Safehaven)	Madrid	Nov. 12
Inter-Allied Trade Board for Japan	Washington	Oct. 24
FAO: Preparatory Commission To Study World Food Board Pro- posals	Washington	Oct. 28-Jan. 17 (tenta- tive)
Inter-Allied Reparation Agency (IARA): Meetings on Conflicting Custodial Claims	Brussels	Nov. 6-Dec. 17 (Will re- sume session Jan. 29)
PICAO:		
Interim Council	Montreal	Jan. 7
Personnel Licensing Division	Montreal	Jan. 7
Twelfth Pan American Sanitary Conference	Caracas	Jan. 12-24
Second Pan American Conference on Sanitary Education	Caracas	Jan. 12-24
Scheduled for January - March 1947		
Council of Foreign Ministers: Meeting of Deputies	London	Jan. 14-Feb. 24
PICAO:		
Divisional		
Aeronautical Maps and Charts Division	Montreal	Jan. 14
Accident Investigation Division	Montreal	Feb. 4

¹ Prepared in the Division of International Conferences, Department of State. Dates are continuous from 1946.

Calendar of Meetings—Continued

PICAO: Divisional—Continued		
Airworthiness Division	Montreal	Feb. 18
Airline Operating Practices Division	Montreal	Feb. 25
Regional		
South Pacific Regional Air Navigation Meeting	Melbourne	Feb. 4
International Wheat Council	Washington	Jan. 15
United Nations:		
Economic and Social Council (ECOSOC)		
Drafting Committee of International Trade Organization, Preparatory Committee	Lake Success	Jan. 20–Feb. 28
Economic and Employment Commission	Lake Success	Jan. 20–Feb. 5
Social Commission	Lake Success	Jan. 20–Feb. 5
Subcommission on Economic Reconstruction of Devastated Areas, Working Group for Europe	Geneva	Jan. 27–Feb. 13 (tentative)
Human Rights Commission	Lake Success	Jan. 27–Feb. 11
Statistical Commission	Lake Success	Jan. 27–Feb. 11
Population Commission	Lake Success	Feb. 6–20
Commission on the Status of Women	Lake Success	Feb. 10
Subcommission on Economic Reconstruction of Devastated Areas, Working Group for Asia and the Far East	Lake Success	Feb. 14
Transport and Communications Commission	Lake Success	Feb. 17–28
Non-governmental Organizations Committee	Lake Success	Feb. 25–27
Standing Committee on Negotiations with Specialized Agencies	Lake Success	Feb. 28
ECOSOC, Fourth Session of	Lake Success	Feb. 28
Trusteeship Council	Lake Success	Before Mar. 15
Meeting of Experts on Passport and Frontier Formalities . .	Geneva	Mar. 17
Regional Advisory Commission for Non-Self-Governing Territories in the South and Southwest Pacific, Conference for the Establish- ment of	Canberra	Jan. 28–Feb. 16 (tentative)
Subcommission of Emergency Economic Committee for Europe on Housing Problems	The Hague	Jan. 30
ILO:		
Industrial Committee on Petroleum Production and Refining . .	Los Angeles	Feb. 3–12
101st Session of the Governing Body	Geneva	Mar. 5–8
Committee on Social Policy in Dependent Territories	London	Mar. 17–22
Committee of Experts on the Application of Conventions . . .	Geneva	Mar. 24–29
Industrial Committee on Coal Mining	Geneva	March or April
Industrial Committee on Inland Transport	Geneva	March or April
Signing of Peace Treaties with Italy, Hungary, Bulgaria, Rumania, and Finland	Paris	Feb. 10
International Children's Fund: Executive Board	Lake Success	Feb. 24
International Red Cross Committee	Geneva	Mar. 3–15
Council of Foreign Ministers	Moscow	Mar. 10
Seventh Pan American Conference on Tuberculosis	Lima	Mar. 17–22
World Health Organization (WHO): Third Session of Interim Com- mission	Geneva	Mar. 31
European Central Inland Transport Organization (ECITO): Seventh Session of the Council	Paris	March

Activities and Developments◀◀

U. S. DELEGATION TO PAN AMERICAN SANITARY CONFERENCES

[Released to the press January 8]

Secretary Byrnes announced on January 8 that the President had approved the composition of the United States Delegation to attend the Twelfth Pan American Sanitary Conference and the Second Pan American Sanitary Education Conference which will be held concurrently at Caracas, Venezuela, from January 12 to 24, 1947. The nominations of the representatives were submitted by the Secretary of State upon the recommendation of the War and Navy Departments and of the United States Public Health Service.

Twelfth Pan American Sanitary Conference

Chairman

Thomas Parran, Surgeon General, United States Public Health Service

Delegates

John C. Dreier, Division of Special Inter-American Affairs, Department of State

Richard J. Plunkett, Director, Division of Health and Sanitation, Institute of Inter-American Affairs

William Sanders, Division of International Organization Affairs, Department of State

Fred L. Soper, International Health Division, Rockefeller Foundation

L. L. Williams, Jr., Division of International Labor, Social and Health Affairs, Department of State

Advisers

Ward P. Allen, Division of International Organization Affairs, Department of State

Robert H. Coatney, National Institute of Health, United States Public Health Service

Col. Wesley C. Cox, M.C., Chief, Army Industrial Hygiene Laboratory

James A. Doull, Chief, Office of International Health Relations, United States Public Health Service

Juan A. Pons, Health Commissioner, Puerto Rico

Harry H. Stage, Assistant Chief, Division of Insects Affecting Man and Animals, Bureau of Entomology and Plant Quarantine, Department of Agriculture

Capt. Van Collier Tipton, M.C., U.S. Navy

Secretaries

Bainbridge C. Davis, first secretary, American Embassy, Caracas, Venezuela

J. Ward Lowe, Division of International Conferences, Department of State

The Pan American Sanitary Conference functions as the governing body of the Pan American Sanitary Bureau, which is a central coordinating agency for public health in the Western Hemisphere. The Conference is concerned with making recommendations in regard to the improvement of sanitary conditions in the American republics. The agenda will include, in addition to numerous technical subjects, consideration of the relationship of the Pan American Sanitary Bureau to the World Health Organization.

Second Pan American Sanitary Education Conference

Chairman

Thomas Parran, Surgeon General, United States Public Health Service

Delegates

Mayhew Derryberry, Chief, Office of Health Education, United States Public Health Service

James A. Doull, Chief, Office of International Health Relations, United States Public Health Service

Juan A. Pons, Health Commissioner, Puerto Rico

Richard J. Plunkett, Director, Division of Health and Sanitation, Institute of Inter-American Affairs

Secretaries

Bainbridge C. Davis, first secretary, American Embassy, Caracas, Venezuela

J. Ward Lowe, Division of International Conferences, Department of State

The First Pan American Sanitary Education Conference was held at New York in 1943 for the purpose of discussing methods of improving health education, reorganization of programs for training personnel, and other related subjects. The present conference, meeting in conjunction with the Twelfth Pan American Sanitary Conference, will undertake a consideration of the following points: (1) the role of sanitary education in a health plan; (2) the organization of an inter-American association of sanitary education; (3) a critical study of publications and visual aids which may be used in sanitary education; (4) a critical study of the techniques of sanitary education; (5) coordination of adult and school programs of sanitary education; (6) the contribution to sanitary education by other organizations; and (7) the training of health educators and teachers.

It is expected that all the American republics will attend. In addition, Canada and the British, Dutch, and French possessions in this hemisphere have been invited to send observers.

International Labor Office Permanent Migration Committee

Article by Murray Ross

The first session of the Permanent Migration Committee of the International Labor Office took place in Montreal from August 26 to 31, 1946.¹ It was attended by representatives of the following 25 Governments: Australia, Argentina, Belgium, Chile, Colombia, Denmark, Dominican Republic, Ecuador, Egypt, France, Greece, India, Italy, Mexico, Netherlands, New Zealand, Panama, Peru, Poland, Portugal, Sweden, Switzerland, United States, Uruguay, and Venezuela. The Governments of Canada, United Kingdom, and Yugoslavia sent observers. The session was also attended by three advisory members representing the United Nations, UNRRA, and the Intergovernmental Committee on Refugees, as well as by three expert members: Joseph P. Chamberlain, from the United States; Doria de Vasconcelos, from Brazil; and Paul van Zeeland, from Belgium, who was unanimously elected chairman of the session. The government, employers', and workers' groups of the Governing Body of the International Labor Organization (ILO) were represented by Messrs. Amado of Brazil, MacDonnell and Bengough of Canada, respectively. Robert C. Goodwin, Director of the United States Employment Service, served as the United States Government member of the Committee. His advisers included Herman R. Landon of the Department of Justice, Murray Ross of the Department of State, and Helen V. Seymour of the Department of Labor. The Committee sessions served as the first post-war intergovernmental forum to consider problems of migration for both settlement and employment and to formulate some basic principles of international cooperation to further long-range migratory movements.

¹ BULLETIN of Aug. 25, 1946, p. 361.

² This resolution was dealt with under item 2 by the Committee. The Third Conference of American States Members of the International Labor Organization was held at Mexico City, Mexico, Apr. 1 to 16, 1946.

In the course of its deliberations the Committee reviewed various aspects of the migration problem and adopted four resolutions looking toward the establishment of a greater degree of bilateral and multilateral international cooperation in the field of post-war migration. The agenda prepared by the Governing Body of the ILO for the meeting included the following five items: (1) exchange of views on post-war migration prospects; (2) forms of international cooperation capable of facilitating an organized resumption of migration movements after the war; (3) racial discrimination in connection with migration; (4) the technical selection of immigrants; and (5) the resolution concerning migration adopted by the Third Conference of American States Members of the International Labor Organization.² An interesting exchange of views took place on the subject of post-war migration prospects. Members of the Committee generally expressed views favoring an increase in future migration, both in the interest of countries of emigration and of immigration and as part of the development necessary for the improvement of international trade and the raising of living standards in the various parts of the world. It was stressed, however, by representatives of immigration countries that large-scale migration must await elimination of current shipping and housing shortages, as well as the preparation of sufficient projects for agricultural settlers and industrial jobs for urban wage earners. Representatives of some of the immigration countries pointed to their inability to bear the sizeable expense involved in population resettlement and stressed the need for consideration of international financing. All these sentiments were given adequate expression in the first resolution adopted by the meeting.

Discussion of forms of international cooperation capable of facilitating an organized resumption of migration movements after the war centered around the three aspects of the problem

listed in the International Labor Office report: the question of international cooperation in the field of financing; the need of safeguards against the lowering of national, social, and economic standards by immigrants; and the ILO migration for employment convention (1939) which had not been ratified by any government. In accordance with the views expressed during the consideration of these subjects, an appropriate resolution was adopted recommending that the Governing Body should consult member governments on the desirability of revising the ILO convention of 1939 and the related ILO recommendations. Furthermore, the resolution affirmed the International Labor Office program of international action necessary to facilitate migration, which covers recruitment, placing, and conditions of labor, other aspects of the protection of labor, special facilities for assisting migrants, provisions for financial cooperation, safeguards against lowering of national standards by immigrants, and the collection of information concerning emigration prospects and immigration possibilities. As for the role of the International Labor Office, the resolution suggests that it continue and expand its studies and its assistance to governments in respect to the recruitment of persons for temporary migration for employment and, in particular, that it study the question of guaranties by the immigration country of a reasonable amount of paid employment to such persons.

Similarly, the resolution draws special attention to: (a) the importance of organizing migration in such a way as to insure equality of treatment in respect to conditions of labor for immigrants and nationals of the country of immigration; (b) the opinions expressed by members of the Committee that migrants intending permanent residence in the country of immigration should be prepared to become citizens of that country and should therefore be persons capable of assimilation to its economic and social conditions; (c) the desirability of the country of immigration actively helping these migrants to become citizens and to conform to its economic and social conditions; (d) the importance of a careful selection of prospective migrants from the point of view of health, family composition, psychological qualifications, and vocational qualifications; (e) the desirability of

studying on an international basis, either bilateral or multilateral, development schemes involving migration including arrangements for transport and for the necessary equipment; and (f) the importance in large-scale migration operations of assuring that suitable employment and accommodations are available in the country of immigration concerned. The Governing Body of the ILO is invited: (a) to place on the agenda of the second session of the Permanent Migration Committee, with a view to the subsequent consideration of this question by the International Labor Conference, the question of a model agreement for the use of governments in negotiating conventions and agreements regarding migration; (b) to authorize the International Labor Office, before the next session of the Permanent Migration Committee, to consult governments on the points that might be inserted in such an agreement, including machinery for the execution of the agreement such as bilateral technical committees.

Finally, the resolution considers it desirable that there should be coordinated international responsibility for migration problems, more particularly: (a) the collection of information from governments and other sources concerning migration; (b) the sending of suitable study missions at the request of the governments concerned, with a view to investigating settlement conditions and planned migration schemes in individual countries; (c) the giving of advice to emigration and immigration countries in formulating and carrying out migration schemes, and, if they desire, the placing of suitable experts at their disposal; and (d) cooperating with governments and with the international organizations concerned in promoting and financing migration in relation to industrial or agricultural development schemes.

The resolution invites the Governing Body to study, in cooperation with the Economic and Social Council, the best method of insuring such coordination through a central coordinating body or otherwise, and to authorize the International Labor Office to collaborate with the Secretariat of the United Nations, the Intergovernmental Committee on Refugees, and the International Refugee Organization with a view to providing information about migration policies and otherwise assisting in the work of resettlement of refugees and displaced persons. Recognizing that the problem

of financial assistance is one to which governments of certain immigration countries attach great importance, it invites the Governing Body to urge the International Bank for Reconstruction and Development: (a) when it considers projects of economic development, to take into account the extent to which such projects contribute toward the solution of migration problems; (b) when it makes loans for economic development, to include migration costs in appropriate cases within the scope of such development. It furthermore observes that, whatever arrangements are made for international machinery concerned with migration problems, the ILO should continue to be responsible for all migration matters falling within its competence, and urges the Governing Body to make the necessary provision to insure the development of the migration work of the International Labor Office to meet post-war needs.

The question of racial discrimination in connection with migration gave rise to a very interesting discussion, the gist of which indicated that countries insisted on maintaining the prerogative to select those immigrants whom they regarded as best suited for assimilation to their conditions. Furthermore, it was pointed out that countries of immigration could not accept persons who might endanger the standard of living of their own population. Statements were made by several members of the Committee which were designed to reserve the right of each nation to adopt rules and regulations aimed at protecting the legitimate interests of its own population as well as those of the immigrants. When it had taken note of these statements, the Committee adopted a resolution on this subject which unanimously affirmed its belief that the principle of non-discrimination in regard to race is one of the fundamental conditions of progressive and orderly migration movements.

Detailed consideration of the problem concerning technical selection of migrants brought out the desirability of the closest possible international collaboration, particularly through bilateral arrangements, in this field as well as in vocational training of migrants. The resolution adopted by the Committee on this subject recommended that immigration countries should establish, or improve, criteria for the technical selection of migrants on the basis of local conditions of climate, production, and social life. Note was

made that the establishment of relevant criteria should be facilitated by utilizing, wherever sufficient data are available, past experience concerning the adaptation of migrants. Likewise, the resolution urged that there should be technical cooperation of the selecting agents and migration services of the immigration country with the migration services of the emigration country, and, in appropriate cases, with international agencies.

The consensus on the part of both Committee members and the International Labor Office staff as expressed in the final Committee report regarded the meeting as a definite success and a significant contribution toward the facing of the long-run post-war migration problem. At its 99th session held in Montreal in October 1946, the Governing Body approved of the Committee's report, reserving action on the resolution dealing with racial discrimination until its next session.

U. N. Spanish Resolution—Continued from page 115

credited to Spain at the time of the adoption of the General Assembly's resolution:

Brazil—"There is no Brazilian Ambassador in Madrid since January last, Brazil being represented in Spain by a chargé d'affaires as of that date. Accordingly, no further action is necessary on the part of the Brazilian Government to comply with the afore-mentioned resolution."

Greece—"The Greek Government has left vacant the post of Minister to Madrid. The business of the Royal Greek Legation is conducted by a chargé d'affaires."

Paraguay—"The Government of Paraguay has neither an Ambassador nor Minister Plenipotentiary accredited to the Government of Franco at the present time."

United States—"My Government has instructed me to inform you that since the departure of the Honorable Norman Armour from Madrid on December 1, 1945, the United States has not had an Ambassador or Minister Plenipotentiary in Spain."

3. States which simply acknowledge receipt of the Secretary-General's telegram pending further communication:

Panama, Turkey, Colombia, and Uruguay.

4. States which reserve their position:

El Salvador.

The State of the Union

MESSAGE OF THE PRESIDENT TO THE CONGRESS¹

MR. PRESIDENT, MR. SPEAKER, MEMBERS OF THE
CONGRESS OF THE UNITED STATES:

I come before you today to report on the State of the Union and, in the words of the Constitution, to recommend such measures as I judge necessary and expedient.

I come also to welcome you as you take up your duties and to discuss with you the manner in which you and I should fulfil our obligations to the American people during the next two years.

The power to mold the future of this Nation lies in our hands—yours and mine, joined together.

If in this year, and in the next, we can find the right course to take as each issue arises, and if, in spite of all difficulties, we have the courage and the resolution to take that course, then we shall achieve a state of well-being for our people without precedent in history. And if we continue to work with the other nations of the world earnestly, patiently, and wisely, we can—granting a will for peace on the part of our neighbors—make a lasting peace for the world.

Foreign Affairs

Progress in reaching our domestic goals is closely related to our conduct of foreign affairs. All that I have said about maintaining a sound and prosperous economy and improving the welfare of our people has greater meaning because of the world leadership of the United States. What we do, or fail to do, at home affects not only ourselves but millions throughout the world. If we are to fulfil our responsibilities to ourselves and to other peoples, we must make sure that the United States is sound economically, socially, and politically. Only then will we be able to help bring about

the elements of peace in other countries—political stability, economic advancement, and social progress.

Peace treaties for Italy, Bulgaria, Rumania, and Hungary have finally been prepared. Following the signing of these treaties next month in Paris, they will be submitted to the Senate for ratification. This Government does not regard the treaties as completely satisfactory. Whatever their defects, however, I am convinced that they are as good as we can hope to obtain by agreement among the principal wartime Allies. Further dispute and delay would gravely jeopardize political stability in the countries concerned for many years.

During the long months of debate on these treaties, we have made it clear to all nations that the United States will not consent to settlements at the expense of principles we regard as vital to a just and enduring peace. We have made it equally clear that we will not retreat to isolationism. Our policies will be the same during the forthcoming negotiations in Moscow on the German and Austrian treaties, and during future conferences on the Japanese treaty.

The delay in arriving at the first peace settlements is due partly to the difficulty of reaching agreement with the Soviet Union on the terms of settlement. Whatever differences there may have been between us and the Soviet Union, however, should not be allowed to obscure the fact that the basic interests of both nations lie in the early making of a peace under which the peoples of all countries may return, as free men and women, to the essential tasks of production and reconstruction. The major concern of each of us should be

¹ Excerpts from the message delivered by the President before a joint session of the Congress on Jan. 6, 1947 and released to the press by the White House on the same date.

the promotion of collective security, not the advancement of individual security.

Our policy toward the Soviet Union is guided by the same principles which determine our policies toward all nations. We seek only to uphold the principles of international justice which have been embodied in the Charter of the United Nations.

We must now get on with the peace settlements. The occupying powers should recognize the independence of Austria and withdraw their troops. The Germans and the Japanese cannot be left in doubt and fear as to their future; they must know their national boundaries, their resources, and what reparations they must pay. Without trying to manage their internal affairs, we can insure that those countries do not rearm.

International Relief and Displaced Persons

The United States can be proud of its part in caring for peoples reduced to want by the ravages of war, and in aiding nations to restore their national economies. We have shipped more supplies to the hungry peoples of the world since the end of the war than all other countries combined.

However, so far as admitting displaced persons is concerned, I do not feel that the United States has done its part. Only about 5,000 of them have entered this country since May 1946. The fact is that the executive agencies are now doing all that is reasonably possible under the limitation of existing law and established quotas. Congressional assistance in the form of new legislation is needed. I urge the Congress to turn its attention to this world problem, in an effort to find ways whereby we can fulfil our responsibilities to these thousands of homeless and suffering refugees of all faiths.

International Trade

World economic cooperation is essential to world political cooperation. We have made a good start on economic cooperation through the International Bank, the International Monetary Fund, and the Export-Import Bank. We must now take other steps for the reconstruction of world trade, and we should continue to strive for an international trade system as free from obstructions as possible.

Atomic Energy

The United States has taken the lead in the endeavor to put atomic energy under effective international control. We seek no monopoly for ourselves or for any group of nations. We ask only that there be safeguards sufficient to insure that no nation will be able to use this power for military purposes. So long as all governments are not agreed on means of international control of atomic energy, the shadow of fear will obscure the bright prospects for the peaceful use of this enormous power.

In accordance with the Atomic Energy Act of 1946, the Commission established under that law is assuming full jurisdiction over our domestic atomic-energy enterprise. The program of the Commission will, of course, be worked out in close collaboration with the military services in conformity with the wish of the Congress, but it is my fervent hope that the military significance of atomic energy will steadily decline. We look to the Commission to foster the development of atomic energy for industrial use and scientific and medical research. In the vigorous and effective development of peaceful uses of atomic energy rests our hope that this new force may ultimately be turned into a blessing for all nations.

Military Policy

In 1946 the Army and Navy completed the demobilization of their wartime forces. They are now maintaining the forces which we need for national defense and to fulfil our international obligations.

We live in a world in which strength on the part of peace-loving nations is still the greatest deterrent to aggression. World stability can be destroyed when nations with great responsibilities neglect to maintain the means of discharging those responsibilities.

This is an age when unforeseen attack could come with unprecedented speed. We must be strong enough to defeat, and thus to forestall, any such attack. In our steady progress toward a more rational world order, the need for large armed forces is progressively declining; but the stabilizing force of American military strength must not be weakened until our hopes are fully realized. When a system of collective security under the United Nations has been established, we shall be willing to lead in collective disarmament, but,

until such a system becomes a reality, we must not again allow our weakness to invite attack.

For these reasons, we need well-equipped, well-trained armed forces and we must be able to mobilize rapidly our resources in men and material for our own defense, should the need arise.

The Army will be reduced to 1,070,000 officers and men by July 1, 1947. Half of the Army will be used for occupation duties abroad and most of the remainder will be employed at home in the support of these overseas forces.

The Navy is supporting the occupation troops in Europe and in the Far East. Its fundamental mission—to support our national interests wherever required—is unchanged. The Navy, including the Marine Corps, will average 571,000 officers and men during the fiscal year 1948.

We are encountering serious difficulties in maintaining our forces at even these reduced levels. Occupation troops are barely sufficient to carry out the duties which our foreign policy requires. Our forces at home are at a point where further reduction is impracticable. We should like an Army and a Navy composed entirely of long-term volunteers, but in spite of liberal inducements the basic needs of the Army are not now being met by voluntary enlistments.

The War Department has advised me that it is unable to make an accurate forecast at the present time as to whether it will be possible to maintain the strength of the Army by relying exclusively on volunteers. The situation will be much clearer in a few weeks, when the results of the campaign for volunteers are known. The War Department will make its recommendation as to the need for the extension of Selective Service in sufficient time to enable the Congress to take action prior to the expiration of the present law on March 31. The responsibility for maintaining our armed forces at the strength necessary for our national safety rests with the Congress.

The development of a trained citizen reserve is also vital to our national security. This can best be accomplished through universal training. I have appointed an Advisory Commission on Universal Training to study the various plans for a training program, and I expect that the recommendations of the Commission will be of benefit to the Congress and to me in reaching decisions on this problem.

The cost of the military establishment is substantial. There is one certain way by which we can cut costs and at the same time enhance our national security. That is by the establishment of a single Department of National Defense. I shall communicate with the Congress in the near future with reference to the establishment of a single Department of National Defense.

National security does not consist only of an army, a navy, and an air force. It rests on a much broader base. It depends on a sound economy of prices and wages, on a prosperous agriculture, on satisfied and productive workers, on a competitive private enterprise free from monopolistic repression, on continued industrial harmony and production, on civil liberties and human freedoms—on all the forces which create in our men and women a strong moral fiber and spiritual stamina.

But we have a higher duty and a greater responsibility than the attainment of national security. Our goal is collective security for all mankind.

If we can work in a spirit of understanding and mutual respect, we can fulfil this solemn obligation which rests upon us.

The spirit of the American people can set the course of world history. If we maintain and strengthen our cherished ideals, and if we share our great bounty with war-stricken people over the world, then the faith of our citizens in freedom and democracy will spread over the whole earth and free men everywhere will share our devotion to these ideals.

Let us have the will and the patience to do this job together.

May the Lord strengthen us in our faith.

May He give us wisdom to lead the peoples of the world in His ways of peace.

The Economic Report of the President ¹

LETTER OF TRANSMITTAL

THE WHITE HOUSE,

Washington, D. C. January 8, 1947.

The Honorable the PRESIDENT OF THE SENATE,

The Honorable the SPEAKER OF THE

HOUSE OF REPRESENTATIVES.

SIRS: I am presenting herewith my Economic Report to the Congress, as required under the Employment Act of 1946.

¹ H. Doc. 49, 80th Cong.

In preparing this report I have had the advice and assistance of the Council of Economic Advisers, members of the Cabinet, and heads of independent agencies.

Respectfully,

HARRY S. TRUMAN

EXCERPTS FROM THE REPORT

International Transactions

The net balance of international transactions in 1946 was about the same as we can anticipate for 1947. Some changes in the components of that balance and in the methods of financing it, however, are both desirable and likely to occur.

Intense demand of foreign countries for goods available only or chiefly in this country has been one of the factors accounting for a high level of employment, production, and purchasing power in the United States during 1946.

Our receipts from the sales of goods and services abroad have recently been running at a rate of about 15 billion dollars a year, compared with only 4 billion dollars prior to the war.

Foreign demand for United States goods at present is associated with the incompleteness of reconstruction in war-devastated areas, and it will continue to be high during 1947, even though some countries may be reluctant to purchase at our current high prices. Sufficient resources will be available to foreign countries to finance urgently needed purchases from us. Any recession in domestic demand would permit us to meet some of the now unsatisfied foreign demand, with a resulting increase in exports. Even if this should be confined to a rise in quantities rather than in the dollar values it would be a factor cushioning the effects of any dip in domestic production and employment.

Should fears concerning our willingness and ability to buy and lend abroad increase, however, foreign countries may husband their dollar resources so as to make them available over a longer period. In this event our exports would be reduced.

5. Cooperation in international economic relations

While most of this Report has necessarily been devoted to the domestic aspects of employment, production, and purchasing power, we must bear in mind that we are part of a world economy. Our sales of goods and services abroad, amounting to about 15 billion dollars in 1946, played an important role in the maintenance of domestic production, employment, and purchasing power and may be expected to do so this year. Such a high level of exports reflects in large part the war destruction of productive capacity in other countries. If we are to maintain a well-balanced prosperity over a long period, our foreign trade must be established on a more permanent basis.

In the long run we can sell to other countries only if we are willing to buy from them, or to invest our funds abroad.

Both foreign trade and foreign investment are vital to maintaining a dynamic economy in this country.

The shortages we have suffered during the war and are even now experiencing have proved to us our need for foreign imports. We will continue to need imports not only to add richness and variety to our standard of living but also as a means of conserving strategic materials. We do not have to fear so-called foreign competition when we have maximum production, employment, and purchasing power. We must not, of course, indulge in indiscriminate reduction of barriers to imports. Such a policy is not contemplated.

For a few years we cannot expect to buy as much from abroad as other countries buy from us. We will find it profitable to invest a part of our savings in developing the world's productive resources through sound loans and investments of equity capital abroad. This is important not only in the first instance as an immediate outlet for our goods and services, the supply of which will be increasing in the coming years, but also as a means of permanently increasing foreign markets for our farmers and businessmen. The quickest demonstration of this can be seen by the fact that nations that are industrialized are our best customers.

Many countries fear economic depression in the United States as a threat to their own stability. If faced with the alternatives of smaller trade and economic insulation on the one hand or close relations with an unstable American economy on the

other, many might prefer some insulation as the lesser evil.

In preference to either of these alternatives, these countries would choose closer relations with a stable American economy operating at high levels. They have already begun to cooperate toward achieving these related goals: economic stability and expansion of world trade. The International Monetary Fund, designed to stabilize exchange rates, and the International Bank for Reconstruction and Development, set up to facilitate the international flow of capital, have already started to operate. At our initiative, experts of 18 important governments recently worked out a tentative charter for an International Trade Organization. This charter embodies principles of commercial conduct designed to enlarge the beneficial flow of world trade, to reenforce the domestic employment and development programs of the co-operating governments and, by intergovernmental commodity agreements, to remove the depressing effects of burdensome world surpluses. This charter represents the first major effort in the field of trade to replace unilateral action—which often injured other countries and provoked retaliation—by cooperation and joint action under a set of common principles. Continued progress in the formation of the International Trade Organization represents the most important step that we can take to reestablish a high volume of foreign trade on a sound basis.

The willingness of many other countries to enter the proposed trade organization will depend to a great extent on our attitude in connection with the reciprocal tariff negotiations scheduled for this year. In return for our own tariff concessions, we can hope to secure not only reduction of foreign tariffs and discriminations but also elimination of a mass of restrictions, in particular, rigid import quotas preventing our access to foreign markets. Thus we should press forward with our program to secure the reciprocal reduction of trade barriers.

If we fail to do our part in putting international economic relations on a healthier basis, it is quite likely that some other countries will feel compelled to increase their own controls. Such a development would tend to break the world into trading

blocs and could have profound effects upon world politics and the prospects for creating an enduring peace.

U.S. Position on Control of Dairen

NOTES TO SOVIET AND CHINESE GOVERNMENTS

[Released to the press January 6]

Text of note delivered by the American Embassy in the Soviet Union on January 3, 1947 to the Soviet Foreign Office. A similar note has also been delivered by the American Embassy in China to the Chinese Foreign Office.

The American Government considers it desirable that the current unsatisfactory situation with regard to the status and control of the port of Dairen be promptly considered by the Chinese and Soviet Governments with a view to the implementation of the pertinent provisions of the Soviet-Chinese agreement of August 14, 1945, in regard to Dairen.¹ This Government perceives no reason why there should be further delay in reopening the port, under Chinese administration, to international commerce as contemplated in the aforementioned agreement.

The Government of the United States, while fully appreciating that this is a matter for direct negotiation between the Chinese and Soviet Governments, feels that it has a responsibility to American interests in general to raise the question with the two directly interested Governments. It hopes that the abnormal conditions now prevailing at Dairen may be terminated at an early date and that normal conditions may be established which will permit American citizens to visit and reside at Dairen in pursuit of their legitimate activities.

In the foregoing connection this Government also wishes to express the hope that agreement can be reached soon for the resumption of traffic on the Chinese Changchun Railway.

It is believed that prompt implementation of the agreements with regard to Dairen and the railway would constitute a major contribution to the reestablishment of normal conditions in the Far East and the revival of generally beneficial commercial activity. This Government therefore would be glad to have the assurance of the Chinese and Soviet Governments that all necessary steps to this end will be taken in the near future.

¹ BULLETIN of Feb. 10, 1946, p. 205.

U.S. Policy Toward a Unified Government in Southern Korea

STATEMENT BY LIEUTENANT GENERAL JOHN R. HODGE

[Released to the press January 7]

Lieutenant General John R. Hodge, Commanding General, United States Army Forces in Korea, issued the following statement at Seoul on January 4

In Cairo in December 1943 and again at Potsdam in July 1945, the President of the United States approved for his country a formal declaration of the Allied Powers that Korea should in due course become free and independent. Realizing the insecurity of Korea, a small defenseless nation in a troubled post-war world, the United States at the Moscow conference in December 1945 bound itself in an agreement with other major powers as to the general procedure by which Korean freedom and independence would be achieved. This agreement, known as the Moscow Decision, provides for the development of a democratic, unified government for all Korea with initial assistance by the United States, the Union of Soviet Socialist Republics, England, and China. Through this agreement the Allied Powers assured the world that blood, lives, and resources expended by them in making possible that liberation of Korea would bear fruit and not be wasted, and that Korea would be independent.

The Under Secretary of State of the United States, speaking for his Government, has recently publicly reaffirmed the unchanging intention of the United States in the following words:

"The (State) Department and the Government's policy is the same as it always has been and as I have stated several times our policy is to bring about the unification of a free and democratic Korea. We intend to stay there until we have been successful in doing it."¹

In order to fulfil its commitments to Korea and to the Allied Powers, the United States Government placed forces in Korea and has designated the

Commanding General of these forces to act as its agent with broad powers. Included in his directives, in addition to his responsibility for commanding of United Forces in Korea, is the requirement that he exercise executive power for governing the American Occupied Zone, until the provisional government of all Korea is established. As the executive head of the government within this area, the Commanding General, United States Armed Forces in Korea, has designated a principal assistant as military governor to act as his deputy in handling the details of the civil government. Either through lack of knowledge of facts or through malicious intent to deceive the Korean people, certain elements are creating the impression that the United States now favors and is actively working toward a separate government in Southern Korea, and that the Korean Interim Legislative Assembly is a completely independent body designed as the forerunner of that government.

Both of the above assumptions are incorrect and dangerous conclusions, entirely without justification, and contrary to the announced basic policies of the United States and the other great Allied Powers who liberated Korea from the Japanese. In furtherance of the United States policy and in order to prepare South Koreans for democratic self-government, the Commanding General, through his deputy for military government, has been progressively drawing Koreans into governmental activities in order that they may, to the maximum extent possible, gain experience and take over governmental responsibility pending establishment of their unified government. This does not mean that he intends to or that he can under his directives shirk his responsibility as executive, or completely transfer his executive power to any other agency until the provisional government of unified Korea is formed. At the same time it is the repeatedly announced and continuing intention of the American Commander to give to Koreans the maximum possible freedom in operation of the

¹ Statement made at a press and radio news conference in Washington, D. C., on Dec. 10, 1946. See also BULLETIN of Sept. 8, 1946, p. 462, and Oct. 13, 1946, p. 670.

agencies of government, assisted as required by American advisers, and to further all legitimate and proper aspirations of the people of Southern Korea for independence.

The Legislative Assembly is a body established with extensive powers under order No. 118¹ designed to give Koreans greater influence and voice in the affairs of Southern Korea. It is a great step forward and offers a great opportunity for the Korean people to develop their nation. It may draft legislation leading to important political, economic, and social reforms pending the establishment of the provisional government. However, it must remain clear to all that the legislature is not a government within itself, nor is it the governing body of South Korea. It is exactly what its name implies, an Interim Legislative Assembly with legislative powers to make laws, and enforcement by the executive branch of government, and to assist the executive branch in carrying out government of South Korea according to the will of the Korean people pending the establishment of Korean provisional government under the Moscow Decision.

As previously stated, I and my assistants, in accordance with the policy of the United States Government, will continue to work for a united Korea, governed by a democratic provisional government created in accordance with recognized international agreements and with the expressed will of the Korean people which will lead to the independence of Korea as a nation united—North and South into one. The desire of the Korean people to achieve unity, independence, and democracy can best be realized by full knowledge of and adherence to the foregoing policies. Efforts to undermine or oppose these policies for selfish political or personal gains can only bring harmful results, and delay the progress of your nation. The Korean people must know and recognize facts as they exist and should not follow the will-of-the-wisp of purely wishful thinking. Those who support and aid in the development of the Korean Government within the framework of the policies will make the greatest possible contribution to the cause of early Korean independence.

¹ Not printed.

² Public Law 371, 79th Congress.

³ BULLETIN of Dec. 29, 1946, p. 1190.

Non-Military Activities in Japan

Summation no. 12 for the month of September 1946, released to the press simultaneously by General Headquarters, Supreme Commander for Allied Powers, Tokyo, and by the War Department in Washington, and summation no. 13 for the month of October, released to the press on January 5, 1947, outlined the political, economic, and social activities carried on in Japan under the direction of SCAP.

Both reports indicate latest developments in civil administration, public safety, and prosecution of legal and war criminals; production in such major industries as agriculture and mining, forestry, textile and heavy manufacturing, transportation and public utilities; conditions with regard to labor; control of imports and exports; rationing and price control; property control and reparations; and accomplishments in the fields of public health and welfare, education, religion, and media of expression.

The report for September cites as major developments the passage by the Japanese Diet of four bills intended to reform local government and the resumption of postal service with all countries except Germany.

The report for October was marked by the passage of the Rural Land Reform Bill and the ratification of the Constitution.

Agreement on Trade With the Philippines

Supplementary Protocol and Entry Into Force

[Released to the press January 8]

The President issued on January 8 a supplementary proclamation announcing that the agreement with the Philippines concerning trade and related matters, signed on July 4, 1946, and the exchange of notes supplementing that agreement, signed October 22, 1946, were proclaimed by the President of the Republic of the Philippines on January 1, 1947. This supplementary proclamation recites that, pursuant to its provisions, the agreement entered into force on January 2, 1947.

The agreement, which on the part of the United States was entered into under the authority of the Philippine Trade Act of 1946² was proclaimed by the President of the United States on December 17, 1946.³

Edgar Crossman Appointed to Joint American-Philippine Financial Commission

The Secretary of State on January 7 announced the appointment of Edgar G. Crossman as American co-chairman of the Joint American-Philippine Financial Commission with the personal rank of Minister.

The Commission, which was established by the two Governments upon the recommendation of the National Advisory Council on International Monetary and Financial Problems and with the approval of Presidents Truman and Roxas, will spend three or four months in Manila studying

the financial and budgetary problems of the Philippine Government and will make recommendations to the two Governments based upon the findings. The American section of the Commission will depart for Manila on or about January 11, 1947.

Establishment of the Philippine Alien Property Administration

The President on January 7, 1947 issued Executive Order 9818, establishing the Philippine alien property administration and defining its functions,¹ which supersedes Executive Order 9789 of October 14, 1946.²

Public Support Necessary for Success of Occupation Policies

BY ASSISTANT SECRETARY HILLDRING³

Our foreign policy commitment is the greatest in Germany and Japan. This is true on several counts, and I shall mention two specifically.

First—The resolution of the German problem is the most important one we have in Europe. I do not mean that if we successfully settle the German problem the rest of the European situation will fall into place automatically. But I do say that unless the German problem is settled, and settled decisively and correctly, the other parts of the picture cannot be forced or maneuvered into place. They won't budge. They just won't fit. The same in general is true of Japan with respect to a peaceful settlement in the Far East.

This is one of the reasons why we must concentrate, as Mr. Byrnes is constantly doing, on the settlement of the German and Japanese questions.

A second reason why our foreign policy commitment is greatest in the occupied areas is this: The occupied areas involve us, as Americans, in some sacrifices. We Americans have said—and sincerely I believe—that we are no longer going to be an isolationist nation. That declaration visits

upon us great responsibilities in the international scene. It means that we as a nation pledge ourselves to discharge the obligations entailed in such responsibilities. I think we are now completely united in that sentiment. I do not believe there is much difference of opinion in the United States on that general point. Both of our major political parties subscribe to it. The vast majority of Americans believe it—in an abstract way.

However, when all is said and done, these are merely attitudes and words. I am very much afraid that, as we begin this New Year, we as a people may be expressing these sentiments without meaning them. And we say them without meaning them because we do not understand or appreciate the commitments to which they obligate us individually and collectively.

In Germany today we have 6,000 Americans—military and civilian—actively engaged in the military government of that country. We have another 2,000 in Austria, 5,000 in Japan and about 1,000 in Korea. This represents a sizable group of Americans—Americans who, in the main, are making large personal sacrifices in the service of their country.

But most important, and most to the point, this costs us Americans money, and a lot of money.

¹ 12 *Federal Register* 133.

² BULLETIN of Nov. 3, 1946, p. 826.

³ Excerpts from an address delivered before a meeting of the Beverly Hills Forum at Beverly Hills, Calif., on Jan. 7, 1947 and released to the press on the same date.

Our bill in the occupied areas was about three quarters of a billion dollars last year. That is also approximately what it will cost us next year, or rather it will cost us that much if we can get the money.

As you know, early in December we concluded with the British an agreement to treat the American and British zones of Germany as an economic unit, and today that agreement is in force. Under the terms of this merger the American and British Governments will share equally the costs of administering the combined zones. This means that if we Americans are sincere in our international intentions, it will cost us a total of 500 million dollars spread over the next three years, or an average of 167 millions a year.

After three years, however, it is expected that the two zones will be self-supporting. Prior to this agreement the American taxpayer was putting out roughly 200 million dollars a year to maintain our zone in Germany, with little prospect of even reaching solvency.

I think it is easy to see that it is cheaper to subscribe to this Anglo-American merger than to spend 200 million dollars a year indefinitely to maintain our own zone separately. This is an important step in relieving the American taxpayer of a monetary sacrifice he is now making in the interests of world stability. But I like to think it is much more than that. I like to think that it is the underwriting of our foreign policy. It is, in fact, a sound investment in lasting peace. It is a great step forward.

However, I am disturbed. I am disturbed by what I hear and by what I don't hear; by what I read and by what I don't read, in my mail and in the press. More than a month has passed since the Anglo-American agreement was signed by Mr. Bevin and Mr. Byrnes, and the event has passed almost without notice. Public discussion is still absorbed with policy matters. Currently, the discussion is centered on whether we should or should not permit reparations payments to Russia out of the current industrial production in Germany.

I said the Fusion Agreement passed almost unnoticed. Almost, but not quite. Those who did comment cited the cost and doubted that the Congress would appropriate the funds.

But very few have risen to the challenge laid down by the establishment of this program. Very

few have shown much interest in implementing this policy. Only a handful of thoughtful citizens have shown much concern in this 90 percent of the problem, and it appears that almost no one is interested in whether or not we will be in Germany in 1948 to supervise the payment of reparations in kind, or to do anything else.

Are we going to stay in Germany until our job is done, even though it may take 25, perhaps 40, years? Are we going to stay in Japan until our job there is done? I don't know. I can't answer those questions tonight, but I can say with the utmost sincerity and conviction that it is idle and flighty to argue about reparations and denazification and democratization, until that question is answered.

"What," you might ask, "shall we do?"

In my opinion we must revise our views as to what constitutes good citizenship in this country. The dilemma we are discussing has historical roots. For 300 years we Americans have devoted ourselves to conquering a frontier. In conquering this frontier we used the best thinking of all Americans and the diligent application of all America's energy to that task. We concentrated on it, and we did a magnificent job. And we developed a tradition in the doing. We have traditionally turned our backs on the two oceans. It is easy for us to do that, even after involvement in affairs beyond our borders. It is in our blood. We did it after World War I. The great danger is that we may do it again, and that is why I believe we must reconsider our formula for good citizenship.

At present any man or woman is a good citizen if he or she is a useful member of the community; if he votes regularly; if he maintains an interest in the kind of schools his children attend and the movies they see. In other words, if a man displays what might be termed a normal interest in civic and national affairs he is adjudged to be a good citizen. That is the kind of citizen who says: "I believe that we should settle this problem in Germany". And when we say, "You should support your Government's policy in Germany by appropriating 500 million dollars for it," this is the same citizen who writes to his Congressman and says: "Get that 'visionary' bureaucrat out of there before he wrecks the Treasury".

The problem of United States diplomacy lies

principally today at home. Our major difficulty today is getting from our citizens a deep-seated and understanding interest in what goes on beyond our borders. There is too generally an attitude on the part of too many of our people in not caring much about what we do, or why we do it, or whether we do it at all. And so long as that situation exists at home, our whole diplomatic program, our whole project of international cooperation, is in the direst jeopardy.

And, of course, I think that it is self-evident to all of you that no greater disaster could befall the world today than to have the United States withdraw its participation from Germany and Japan.

Again, I cannot impress upon you too vigorously the desperate need for the cultivation of a profound interest in your country's affairs abroad. This nation was conceived upon the principle that every man should have a loud voice in the shaping of his own destiny. Contrariwise, we can, in this country, do a job with credit to the nation only if we have behind the task the warm support of the people. We stand today, in the beginning of this New Year, upon the threshold of great international adventures. We Americans will shape our destiny by what we do, or by what we fail to do—and, mind you, what we fail to do is as important as what we do.

Our great feats of arms and our crushing victories in the war just ended have placed upon us, whether we like it or not, great international responsibilities. Our economic and moral position in this post-war world places upon us not only international responsibilities but, by the same token, the opportunity for and the obligation of leadership.

If we truly desire a world of peace and decency and fellowship among men we must each of us, personally, strive for such a world. If we truly desire that there shall not be another war we must, personally, *act*, as well as think, in a fashion that will prevent war. It is not enough simply to inveigh against war. This is merely the first feeble step toward the objective. Good deeds, hard work, sacrifice—that is the 90 percent of the struggle for peace.

Unless each of us is willing to labor and sweat for such a world, all the elaborate plans, and programs, and projects for a decent, peaceful world will, I assure you, be in vain.

We are today, I believe, engaged in an endeavor that might properly be described as a “battle for peace”. After World War I, many of us believed we had won the war. But did we really win that war? If we fought the war in order to win battles, the answer is “yes”. But if we engaged in that struggle to make democracy secure, and I think that is why we fought, then I believe history has clearly demonstrated that we did not achieve, by the lavish expenditure of our manhood and our treasure, the objectives for which we waged the war.

And so, naturally enough, along came World War II. By a spontaneous and herculean effort on our part, and by the courageous resistance of our Allies, notably England and Russia, we have again won all the decisive battles. All fighting ceased more than a year ago. But very regretfully I am forced to express the opinion that we have not as yet achieved any of the main objectives for which we fought World War II. *The war has not been won.*

The eradication of fascism; the elimination of intolerance; the establishment of an enduring peace—these are the objectives for which we fought, and this is the part of the conflict which must be won, if it is won at all, by the people themselves under intelligent and forceful leadership. This is the “battle for peace”. So far as the United States is concerned, the soldiery for this battle is and must be all the men and all the women of America.

We will never accomplish our purpose by negative measures. This is not something that can be done without positive effort and without a great deal of intense interest and some sacrifice.

A. Adrian Albert Appointed Visiting Professor at University of Brazil

Dr. A. Adrian Albert, professor of mathematics, University of Chicago, has received a grant-in-aid from the Department to enable him to serve as visiting professor of mathematics at the University of Brazil, Rio de Janeiro, Brazil. He is one of a distinguished group of educators who have received travel grants under the program administered by the Department of State for the exchange of professors and specialists between the United States and the other American republics.

Appointment of the Members and the Alternate Member of a Military Tribunal Established for the Trial and Punishment of Major War Criminals in Germany¹

By virtue of the authority vested in me by the Constitution and the statutes, and as President of the United States and Commander in Chief of the Army and Navy of the United States, it is ordered as follows:

1. I hereby designate Fitzroy Donald Phillips, Judge of a Superior Court in the State of North Carolina, Robert Morrell Toms, Judge of the Third Judicial Circuit Court, Detroit, Michigan, and Capt. Michael A. Musmanno (S) U.S.N.R., 086622, as the members, and John Joshua Speight as the alternate member, of one of the several military tribunals established by the Military Governor for the United States zone of occupation within Germany pursuant to the quadripartite agreement of the Control Council for Germany, enacted December 20, 1945, as Control Council Law no. 10, and pursuant to articles 10 and 11 of the Charter of the International Military Tribunal, which Tribunal was established by the Government of the United States of America, the Provisional Government of the French Republic, the Government of the United Kingdom of Great Britain and Northern Ireland, and the Government of the Union of Soviet Socialist Republics, for the trial and punishment of major war criminals of the European Axis. Such members and alternate member may, at the direction of the Military Governor of the United States zone of occupation, serve on any of the several military tribunals above mentioned.

4. The Secretary of State, the Secretary of War, the Attorney General, and the Secretary of the Navy are authorized to provide appropriate assistance to the members and the alternate member herein designated in the performance of their duties and may assign or detail such personnel under their respective jurisdictions, including members of the armed forces, as may be requested for the purpose. Personnel so assigned or detailed shall receive such compensation and allowances for expenses as may be determined by the Secretary of War and as may be payable from

appropriations or funds available to the War Department for such purposes, except that personnel assigned or detailed from the Navy Department shall receive such compensation and allowances for expenses to which they may be entitled by reason of their military rank and service and as may be payable from appropriations or funds available to the Navy Department for such purposes.

HARRY S. TRUMAN

Deposit of Shares in Yugoslav Stock Companies for Conversion and/or Registration

[Released to the press January 9]

The Department of State has been informed by the Yugoslav Embassy at Washington that the Yugoslav Embassy, 1520 Sixteenth Street, Washington, D.C., the Yugoslav Consulate General, 745 Fifth Avenue, New York, N.Y., and the Yugoslav Consulate General, 840 North Michigan Avenue, Chicago, Ill. will accept, up to and including January 21, 1947, the deposit of shares held by United States citizens in Yugoslav corporations.

American holders of such shares are required to deposit them for conversion and/or registration, pursuant to the provisions of the Yugoslav decree published June 21, 1946, in *Sluzbeni List* (the official gazette of the Federal People's Republic of Yugoslavia).

Registration of Shares of Rumanian National Bank

[Released to the press January 7]

The attention of any American citizens who may hold shares of the Rumanian National Bank is called to the provisions of the law published on December 28, 1946 nationalizing that institution, which requires that shareholders register their shares within 10 days in order to have compensation fixed for their holdings. The law as published states that holders who fail to register their shares within the prescribed period will be reimbursed in accordance with decisions in cases in which filing was done within this period.

American holders of shares of the National Bank of Rumania should therefore immediately send to that institution, at Bucharest, Rumania, a statement regarding their holdings.

¹ Executive Order 9819 (12 *Federal Register* 205).

United States Position on Polish Elections

NOTES DELIVERED TO THE BRITISH, SOVIET, AND POLISH GOVERNMENTS

[Released to the press January 7]

Text of note regarding the forthcoming Polish elections delivered on January 5, 1947 to Lord Inverchapel, British Ambassador in Washington¹

EXCELLENCY:

The Government of the United States,² as a signatory of the Yalta and Potsdam Agreements, with particular regard to those sections of the two agreements which deal with the establishment of a representative government in Poland through the instrumentality of free and unfettered elections, wishes me to inform you of the concern with which it views the pre-election activities of the Polish Provisional Government of National Unity. My Government is especially perturbed by the increasingly frequent reports of repressive measures which the Polish Provisional Government has seen fit to employ against those democratic elements in Poland which have not aligned themselves with the "bloc" parties.

According to information reaching my Government from various authoritative sources, these repressive activities on the part of the Provisional Government have now increased in intensity to the point where, if they do not cease immediately, there is little likelihood that elections can be held in accordance with the terms of the Potsdam Agreement which call for free and unfettered elections "on the basis of universal suffrage and secret ballot in which all democratic and anti-Nazi parties shall have the right to take part and put forward candidates".

On December 18, 1946, Vice Premier Stanislaw Mikolajczyk addressed a communication to the American Ambassador in Warsaw in which he called attention to the reprehensible methods employed by the Provisional Government in denying freedom of political action to the Polish Peasant Party. This communication pointed out *inter alia* that the methods used by the Government in its ef-

forts to eliminate the participation by the Polish Peasant Party in the elections include political arrests and murders, compulsory enrollment of Polish Peasant Party members in the "bloc" political parties, dismissal of Polish Peasant Party members from their employment, searches of homes, attacks by secret police and members of the Communist Party on Polish Peasant Party premises and party congresses, suspension and restriction by government authorities of Polish Peasant Party meetings and suspension of party activities in 28 Powiats, suppression of the party press and limitation of circulation of party papers, and arrest of the editorial staff of the Party Bulletin and of the *Gazeta Ludowa*. Authoritative reports from other quarters in Poland serve to substantiate the charges brought by Mr. Mikolajczyk in the communication cited. It is understood that copies of this communication were also delivered to the Soviet and British Ambassadors at Warsaw as representatives of the other two Yalta powers.

In the view of my Government, what is involved here is the sanctity of international agreements, a principle upon which depends the establishment and maintenance of peace and the reign of justice under law. The obligations with respect to the Polish elections which my Government assumed at Yalta and reiterated at Potsdam, together with the Soviet and British Governments, and the obligations subsequently assumed by the Polish Government and frequently reiterated, provide for the conduct of free and unfettered elections of the type and in the manner described above. It is of no significance that the subject matter of this international agreement relates to elections in Poland. The essential fact is that it constitutes an international agreement on the basis of which all four nations concerned have acted. Therefore, my Government believes that, for any of the parties to this agreement to refrain from the most energetic efforts to see to its proper execution would be to fail in a most solemn obligation. For this reason, it is my Government's view that it is both a duty and a right for the three Powers who are parties to the Yalta and the Potsdam Agreements to call

¹ A similar note was delivered on Jan. 5, 1947 to Andrei Vyshinsky, Deputy Minister of the Soviet Union, by U.S. Ambassador W. Bedell Smith.

² In the note to the Soviet Union, "my Government" is substituted for "the Government of the United States".

to the attention of the Polish Government in a most friendly but in a most insistent manner the failure of the Polish Government to perform its obligations.

It is a source of regret to my Government that its own efforts in this direction have not resulted in any change in the course which the Polish Provisional Government has pursued in connection with pre-election political activities. My Government feels that it would be failing in its duty if it did not make further efforts prior to the elections to ameliorate the conditions under which certain democratic elements of the Polish population are now struggling in an effort to take their rightful part in the national elections. It intends, therefore, in the immediate future again to approach the Polish Government with a reminder of its obligations in connection with the elections and again to call upon it to provide those conditions of security which will enable all democratic and anti-Nazi parties to take full part in the elections. I hardly need add that my Government is interested only in seeing that the Polish people have the opportunity to participate in a free and unfettered election and that my Government does not regard the results of such an election as being a proper concern of anyone other than the Polish people themselves.

It is the hope of my Government that the British Government,³ as a party to the Yalta and Potsdam Agreements, will associate itself with the American Government in this approach to the Polish Provisional Government of National Unity.

A similar communication is being addressed simultaneously to the Soviet Government.⁴

Accept [etc.]

[Released to the press January 9]

Text of a note delivered on January 9 at 12:15 p. m., Warsaw time, by Ambassador Arthur Bliss Lane to the Polish Foreign Office

I have the honor to refer to the Embassy's notes of Aug. 19⁵ and Nov. 22, 1946⁶ regarding the Polish National elections, to which no reply has yet been received, and pursuant to instructions from my Government to inform Your Excellency, as a signatory of the Yalta and Potsdam Agreements, with particular regard to those sections of the two agreements which deal with the establishment of a government in Poland, through the instrumentality of free and unfettered elections, of

my Government's continued concern over the pre-election activities of the Polish Provisional Government of National Unity. My Government is especially perturbed by the increasingly frequent reports of repressive measures which the Polish Provisional Government has seen fit to employ against those democratic elements in Poland which have not aligned themselves with the "bloc" parties.

It is a source of regret to my Government that its previous efforts to call the attention of the Polish Provisional Government to its failure to perform its obligations under the agreements cited have not resulted in any change in the course which that Government has pursued in connection with pre-election political activities. According to information reaching my Government from various authoritative sources, these repressive activities on the part of the Provisional Government have now increased in intensity to the point where, if they do not cease immediately, there is little likelihood that elections can be held in accordance with the terms of the Potsdam agreement which call for free and unfettered elections "on the basis of universal suffrage and secret ballot in which all democratic and anti-Nazi parties shall have the right to take part and put forward candidates."

It is the view of my Government that this matter involves the sanctity of international agreements, a principle upon which depends the establishment and maintenance of peace and the reign of justice under law. The obligations with respect to the Polish elections which my Government assumed at Yalta and reiterated at Potsdam, together with the Soviet and British Governments, and the obligations subsequently assumed by the Polish Government and frequently reiterated, provide for the conduct of free and unfettered elections of the type and in the manner described above. The fact that the subject matter of these agreements relates to elections in Poland is incidental. The essential fact is that they constitute an international agreement under which all four

³ In the note to the Soviet Union, "the Soviet Union" is substituted for "the British Government".

⁴ In the note to the Soviet Union, "British Government" is substituted for "Soviet Government".

⁵ BULLETIN of Sept. 1, 1946, p. 422.

⁶ BULLETIN of Dec. 8, 1946, p. 1057.

nations concerned have assumed obligations. I need hardly say that my Government is interested only in seeing that the Polish people have the opportunity to participate in a free and unfettered election and that my Government does not regard the results of such an election as being a proper concern of anyone other than the Polish people themselves.

My Government would be failing in its duty if it did not again point out that the continuation of the present policy of suppression, coercion, and intimidation as applied to political opposition in Poland constitutes a violation of the letter as well as the spirit of the Yalta and Potsdam Agreements.

American Economic Mission to Greece

[Released to the press January 9]

Ambassador Paul A. Porter announced on January 9 the completion of the membership of the American Economic Mission to Greece, which he heads. The Mission left by air from New York for Athens at 10 p.m. on Monday, January 13. It will examine economic conditions in Greece and recommend measures which should be taken by the Greek Government for the reconstruction of the country.

John Fitch of Washington, who has just returned from Guatemala, will serve as engineering consultant. Stephen Ailes of the Washington law firm of Steptoe and Johnson, who was associated with Ambassador Porter at OPA, will be counsel to the Mission. Dillon Glendenning will join the Mission as financial consultant from his post in Cairo. Print Hudson, who until recently was agricultural attaché at the American Embassy in Athens, is to be the agricultural expert of the Mission.

The appointments of Leslie L. Rood, executive secretary, and Francis F. Lincoln and William M. Rountree, economists, were made at the time of the appointment of Ambassador Porter. Dorothy I. Page, Ellen F. Broom, and Mary Nicholson will accompany the Mission as secretaries.

Ambassador Porter and other members of the Mission have been engaged in discussions during the last two weeks with officials of the Department of State, the Department of Agriculture, and other United States Government agencies, and with of-

ficials of UNRRA, the International Bank, and other international organizations.

The terms of reference of the Mission as announced by Secretary Byrnes are as follows:

1. To examine economic conditions in Greece and the functioning of the Greek Government as they bear upon the restoration and development of the national economy of that country.
2. To consider measures necessary for the reconstruction of essential transportation, power, manufacturing, agricultural, and other facilities.
3. To consider the extent to which the Greek Government can carry out reconstruction and development through the effective use of Greek resources at home and abroad, and the extent to which Greece will require assistance from foreign or international sources.
4. To make recommendations to the United States Government for transmittal to the Greek Government of specific measures which should be taken by the latter for the improvement of the national economy.

Transport Vessels Made Available to Italian Government

[Released to the press January 10]

The Italian Prime Minister's visit to Washington has provided occasion for agreement on an arrangement designed to serve, as satisfactorily as available facilities permit, the needs of the United States and of Italy with respect to certain current civilian passenger traffic requirements and certain other essential transportation of persons.

For this purpose the United States will make the United States transport vessels *Hermitage* and *Monticello* available for the Italian Government's use in the repatriation of prisoners of war from foreign areas, Italian emigration, and similar requirements of the Italian national interest. The *Hermitage* and *Monticello*, formerly the Italian passenger vessels *Conte Biancamano* and *Conte Grande*, have become surplus to United States requirements and are laid up in the Maritime Commission's reserve fleets.

This will enable the Italian Government to meet its transport requirements, referred to above, without interrupting the service of urgent civilian passenger traffic between New York and Mediterranean ports, in which the Italian passenger vessel *Vulcania* has been operated for some months past

in the United States national interest. The *Saturnia*, sister-ship to the *Vulcania*, is scheduled to replace the *Vulcania* in this service shortly, and under the arrangement now agreed upon this service will continue to be handled by the American Export Lines, with the Department of State continuing to designate ports of call and priority of space allocations. This is in order to assure space for transportation of passengers in the national interest of the United States, including particularly the repatriation of United States citizens, in connection with which the Department of State has certain responsibilities.

Thus, on the one hand, vessels in United States possession and surplus to United States needs will be made available for use in meeting certain Italian requirements, and, on the other hand, certain United States requirements continue to be met by more suitable tonnage. At the same time the American shipping company by its participation in this service is enabled to maintain a position in the traffic pending the time when it is able to place its own ships in this passenger service.

The *Hermitage* and *Monticello* will be made available for the use of the Italian Government by the Maritime Commission, at the request of the Secretary of State, under a special agency agreement to be concluded between the Commission and the Italian Government's representatives.

The four ships are all of approximately the same size (about 24,000 gross tons), speed (19 to 20 knots), and age (18 to 22 years). The steamships *Hermitage* and *Monticello* were acquired by the United States early in the war and converted to troop transports for operation by the U.S. Navy. In this capacity they provided valuable service in the war effort until they became surplus to United States requirements and were placed in the Maritime Commission's reserve fleets during recent months. The motorships *Saturnia* and *Vulcania*, which continued under Italian ownership, also provided valuable services in the war effort as part of Italian co-belligerency. They were allocated to United States military service after their escape from German control, in 1943 and 1945, respectively, and were returned to Italian control in November 1946. While under United States control, the *Saturnia* was extensively converted for service as a hospital ship for use by the War Department and during 1946 brought to this country a large number of war

brides. The *Vulcania* also served as a troop transport, but, because it was best fitted for passenger use, was later placed in the United States-Mediterranean service providing urgently needed United States passenger service, which was continued after its redelivery to Italian control in anticipation of the arrangement for the use of the four ships now agreed upon.

Trade Agreement With Canada

PROPOSED TERMINATION OF CONCESSION ON LINEN FIRE HOSE

[Released to the press January 10]

It has been ascertained that imports into the United States of linen fire hose included in item 1007 of schedule II of the trade agreement with Canada, signed on November 17, 1938, have been in major part from countries other than Canada and that imports of such hose have increased very considerably over the levels obtaining before the entry into effect of the reduced duties established pursuant to the agreement.

In the trade agreement, the reduction in duty was from the rate provided for in the Tariff Act of 1930 of 19½ cents a pound plus 15 percent ad valorem, to 10 cents a pound plus 7½ percent ad valorem.

Under article XIV of the Canadian agreement, each country has reserved the right, after consultation with the Government of the other country, to withdraw or to modify the concession granted on any article, if, as a result of the extension of the concession to other foreign countries, such countries obtain the major benefit of the concession, and if, in consequence, imports of the article concerned increase to such an extent as to threaten serious injury to domestic producers. This Government is considering taking action, pursuant to article XIV, to withdraw the concession granted in item 1007 on "hose, suitable for conducting liquids or gases, wholly or in chief value of vegetable fiber", the imports under which are understood to be almost entirely linen fire hose.

Unless the action under consideration is modified in the light of representations received from interested persons, it is contemplated that the concession will be completely withdrawn, with the result that the duty on hose described in item 1007 of schedule II of the trade agreement would return to the statutory rate, previously referred to, which was in effect prior to the agreement.

Any person desiring to submit any information or views with respect to the proposed action should present them to the Committee for Reciprocity Information in accordance with the announcement issued by that Committee on January 9.¹

Polish Refugee Camp in Mexico Closes

The termination on January 1, 1947 of the Polish refugee camp at the former hacienda, Colonia Santa Rosa, near León in the state of Guanajuato, Mexico, also brought to a close an unusual story of international refugee cooperation to which the United States contributed over \$2,000,000.

After a fruitless canvass to resettle the Poles in British and Belgian colonies, Latin American countries, and the United States, an agreement was reached at the end of 1942 between the representatives of the Polish Government-in-Exile at London and the Mexican Government for the accommodation of a large number of the refugees in Mexico. Premier General Sikorski was instrumental in effecting the agreement, as well as in obtaining the financial aid from the United States.

Following the dissolution of the Polish Government-in-Exile, in July 1945, the Government of the United States assumed full responsibility for the administration of Colonia Santa Rosa.

During the period of operation of the camp, 1,490 Polish nationals, including 81 children born there, were given haven. By December 15, 1946, a total of approximately 1,480 had been processed through the camp, 585 had been accepted into the United States, including 263 orphan children placed in various United States institutions; 69 were admitted into other countries; 35 had been repatriated to Poland; 769 found employment in Mexico; and there were 25 deaths at the camp.

Foreign Commerce Weekly

The following article of interest to BULLETIN readers appeared in the January 4 issue of the *Foreign Commerce Weekly*, copies of which may be secured from the Superintendent of Documents, Government Printing Office, for 15 cents each:

"Shanghai Lumber Market: Effect of War's Ravages", based on consular reports by Loris F. Craig, economic analyst, American Consulate General, Shanghai, China.

¹ For announcement issued by Committee for Reciprocity Information, see Department of State press release 24 of Jan. 9, 1947.

Tax Treaty Negotiations With Denmark

[Released to the press January 8]

A delegation of Danish tax specialists is expected to visit Washington at an early date to conduct *ad referendum* negotiations looking to the conclusion of treaties between the United States and Denmark for the avoidance of double taxation and for administrative cooperation in prevention of tax evasion with respect to income taxes and to taxes on estates of deceased persons.

If the discussions are successful they will result in the preparation of draft treaties which will be submitted by the negotiators to their respective governments for consideration with a view to signing.

In preparation for the negotiations, the American delegation will welcome conferences with interested parties or statements and suggestions from them concerning problems in tax relations with Denmark. Communications in this connection should be addressed to Eldon P. King, Special Deputy Commissioner of Internal Revenue, Bureau of Internal Revenue, Washington 25, D.C.

Department of State Bulletin Subscription Price Increased

The annual subscription price of the DEPARTMENT OF STATE BULLETIN was increased from \$3.50 to \$5.00 on January 1, 1947 owing to a combination of factors which has left the Superintendent of Documents, Government Printing Office, no choice but to take this action. These factors are the constantly expanding size and scope of the BULLETIN, as it attempts to cover the vast range of American international relations, and the rising cost of production. The printing and publishing of government publications are affected as much by the rising prices of materials and other production factors as any other integral part of the national economy.

The need to take this action is regretted both by the Department of State and by the Superintendent of Documents. After thorough study of the problem during recent months the Department of State considers that the increase in price is preferable to the only alternative, which would have been to make drastic reductions in the quantity of original documentation and other material provided readers.

THE CONGRESS

Second Deficiency Appropriation Bill for 1946: Hearings before the Subcommittee of the Committee on Appropriations, House of Representatives, Seventy-Ninth Congress, second session, on the Second Deficiency Appropriation Bill for 1946. 616 pp. [Department of State, pp. 450-514.]

Third Deficiency Appropriation Bill for 1946: Hearings before the Subcommittee of the Committee on Appropriations, House of Representatives, Seventy-Ninth Congress, second session, on the Third Deficiency Appropriation Bill for 1946. 857 pp. [Department of State, pp. 178-223.]

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The Economic Report of the President. Message from the President of the United States transmitting the President's economic report to the Congress, as required under the employment act of 1946. H. Doc. 49, 80th Cong. viii, 54 pp.

Report by the Secretary of State on Foreign Service Retirement and Disability Fund. Message from the President of the United States transmitting a report by the Secretary of State, showing all receipts and disbursements on account of refunds, allowances, and annuities for the fiscal year ended June 30, 1946, in connection with the Foreign Service retirement and disability system as required by section 26 (a) of an act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor, approved February 23, 1931, as amended. H. Doc. 50, 80th Cong. 2 pp.

January 19, 1947

The Seal of the United States

The American public has displayed a continuing interest in the official seal of the United States as being in a special sense a symbol of the power and majesty of the Republic. In order to make available to the interested segment of the public reliable data on the design of the seal, the cutting of the several dies, and the use of the seal, the Department of State has prepared an illustrated historical leaflet, which, with illustrations of the obverse and reverse in full color, has now been released. Copies of this leaflet entitled *The Seal of the United States* (Department of State publication 2860) may be obtained for 10 cents each from the Superintendent of Documents, Government Printing Office, Washington 25, D.C.

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Contributors

George A. Morlock, author of the article on the Narcotics Commission, is Chief of the Narcotics Section, Division of International Labor, Social and Health Affairs, Office of International Trade Policy, Department of State. Mr. Morlock was a member of the United States Delegation to the Commission on Narcotic Drugs of the Economic and Social Council.

Murray Ross, author of the article on the ILO Permanent Migration Commission, is Assistant Chief, ILO Branch, Division of International Labor, Social and Health Affairs, Office of International Trade Policy, Department of State.

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SOME RECENT DEVELOPMENTS IN THE PROBLEM OF THE TURKISH STRAITS, 1945-1946

by Harry N. Howard

In view of the agreement during the Potsdam Conference that the Montreux Convention of the Straits required some revision, and of the subsequent exchange of notes on that subject during the years 1945-1946, it has been thought that an article summarizing the recent developments in this problem and stating the essential position of the powers primarily concerned would be of interest to the American public.

I. The Potsdam Agreement

The Montreux Convention of the Straits, signed on July 20, 1936, came into force on November 9, 1936. In accordance with article 29 of the Convention, it is subject to revision at the expiry of each five-year period from the date of entry into force.¹ It was natural, therefore, that considerable discussion of the problem of revision of the Straits convention should have taken place during the period of 1945 to 1946. In view of the long-time American interest in the principle of freedom of commerce and navigation, it was also natural that the United States should be concerned with the question of the Turkish Straits.²

In the years following the entry into force of the Montreux Convention the new regime of the Straits appeared to work well and in the interest of all parties concerned. Few questions were raised in the years prior to the outbreak of World War II. Immediately after the outbreak of the great conflict, Turkey became the ally of Great Britain and France under the terms of the alliance of October 19, 1939, although it remained a non-belligerent ally until the final year of the war. As early as August 10, 1941, however, Great Britain and the Soviet Union pledged their fidelity to the Montreux Convention and indicated that they had no designs upon Turkish territory. President Roosevelt gave an indication of the

significance of the Turkish position at the Straits when he declared on November 7, 1941 that he had "found that the defense of the Government of Turkey is vital to the defense of the United States."

By the end of the war there was a general feeling that the Montreux Convention required some kind of revision. The problem was discussed at the Potsdam Conference during July 1945. In his report of August 9, 1945, concerning the conference, President Truman declared:³

"One of the persistent causes for wars in Europe in the last two centuries has been the selfish control of the waterways of Europe. I mean the Danube, the Black Sea Straits, the Rhine, the Kiel Canal, and all the inland waterways of Europe which border on two or more states.

"The United States proposed at Berlin that there be free and unrestricted navigation of these inland waterways. We think this is important to the future peace and security of the world. We

¹ For an analysis of the problem see H. N. Howard, "The Montreux Convention of the Straits, 1936", *BULLETIN* of Sept. 8, 1946, p. 435.

² See H. N. Howard, "The United States and the Question of the Turkish Straits", *Middle East Journal*, vol. I, no. 1, of January 1947. See also Dr. Howard's compilation "Problem of the Turkish Straits: Principal Treaties and Conventions (1774-1936)", *BULLETIN* of Nov. 3, 1946, p. 790.

³ *BULLETIN* of Aug. 12, 1945, p. 212.

proposed that regulations for such navigation be provided by international authorities.

"The function of the agencies would be to develop the use of the waterways and assure equal treatment on them for all nations. Membership on the agencies would include the United States, Great Britain, the Soviet Union, and France, plus those states which border on the waterways."

The Potsdam Conference produced no ultimate disposition of the problem of the Straits and there are two versions of the agreement which was reached. According to the British version:⁴

"The three governments recognize that the Convention concluded at Montreux should be revised as failing to meet present day conditions. It was agreed that, as the next step, the matter should be the subject of direct conversations between each of the three governments and the Turkish Government."

According to the Soviet version:⁵

"The three governments declared that the Convention regarding the Straits, concluded in Montreux, should be revised, as it does not meet the conditions of the present time;

"The three governments agreed that as the proper course the said question would be the subject of direct negotiations between each of the three powers and the Turkish Government."

II. The American Note of November 2, 1945: Reception by the Powers

In the months which followed the Potsdam Conference discussion of the problem of the Straits continued. Moreover, in line with the traditional policy of the United States, President Truman, in an address of October 27, 1945,⁶ expressed his belief "that all nations should have the freedom of the seas and equal rights to the navigation of boundary rivers and waterways and of rivers and waterways which pass through more than one country." These remarks were repeated in the President's annual message to the Congress on the state of the Union on January 21, 1946.

⁴ See the statement of Foreign Minister Bevin in the British House of Commons, Oct. 22, 1946. *Parliamentary Debates (Hansard)*. House of Commons. *Official Report*. Vol. 427, no. 201, Oct. 22, 1946, cols. 1500-1502.

⁵ From the Soviet note to Turkey, Aug. 7, 1946, *BULLETIN* of Sept. 1, 1946, p. 420.

⁶ *BULLETIN* of Oct. 28, 1945, p. 654.

⁷ *BULLETIN* of Nov. 11, 1945, p. 766.

In accordance with the agreement reached at Potsdam and in line with the general principles as to waterways of international concern which the President had enunciated, the United States presented a note to the Turkish Government on November 2, 1945 embodying the American proposals for a revision of the Montreux Convention.⁷ The American note called attention to the agreement between the United States, Great Britain, and the Soviet Union at Potsdam to the effect that the Montreux Convention required revision and that the matter should be the subject of direct conversations between each of the three governments and the Turkish Government. It was the "earnest hope" of the American Government that the problem of the "control and use of the Straits" could be "solved in a manner which will promote international security, will show due consideration for the interests of Turkey and all Black Sea riparian powers, and will assure the free use of this important waterway to the commerce of all nations." The American Government understood that the Montreux Convention was subject to revision in 1946, suggested an international conference for this purpose, and indicated its willingness to participate if invited to do so. As a basis for an equitable solution of the question of the Straits the United States set forth the following principles:

"1. the Straits to be open to the merchant vessels of all nations at all times;

"2. the Straits to be open to the transit of the warships of Black Sea powers at all times;

"3. save for an agreed limited tonnage in time of peace, passage through the Straits to be denied to the warships of non-Black Sea powers at all times, except with the specific consent of the Black Sea powers or except when acting under the authority of the United Nations; and

"4. certain changes to modernize the Montreux Convention, such as the substitution of the United Nations system for that of the League of Nations and the elimination of Japan as a signatory."

The British and Soviet Governments were also informed of the views set forth above.

On November 21 the British Government presented a memorandum to the Turkish Government indicating that it was agreeable to the American proposals, but adding that the matter did not seem urgent. On December 6 Turkey replied

to the United States, accepting the note of November 2 as a basis of discussion.⁸ The Turkish Government welcomed the American note, announcing publicly that Turkey would "participate in an international conference on the Dardanelles and accept any decisions reached there, provided 'Turkey's independence, sovereignty and territorial integrity are not infringed.'"⁹

Likewise, the British Government was well disposed toward the principles which had been set forth in Washington. In an address before the House of Commons on February 21, 1946¹⁰ Mr. Bevin, the British Foreign Minister, seriously questioned Soviet desires with respect to the eastern frontiers of Turkey, indicated that any revision of the Montreux Convention of the Straits in view, and declared that Great Britain had "a treaty with Turkey". Mr. Bevin further observed that he would like to see the treaty of friendship between Turkey and the Soviet Union renewed, did not feel that this conflicted with the Anglo-Turkish alliance, and distinctly did "not want Turkey converted into a satellite State". Some weeks later, on March 25, 1946,¹¹ Hector MacNeil, British Undersecretary of State for Foreign Affairs, indicated that the Anglo-Turkish treaty of October 19, 1939 obligated Great Britain to assist Turkey in the event of that country being involved in hostilities with a European power "in consequence of aggression by that Power against Turkey", but he had no reason "to believe that any such aggression was likely to take place".

In his Army Day address of April 6, 1946¹² President Truman reiterated the intention of the United States to "press for the elimination of artificial barriers to international navigation, in order that no nation by accident of geographic location, shall be denied unrestricted access to seaports and international waterways." The President also made some pointed remarks as to the significance of the Near and Middle East, an area which presented "grave problems". He continued:

"This area contains vast natural resources. It lies across the most convenient routes of land, air, and water communications. It is consequently an area of great economic and strategic importance, the nations of which are not strong enough individually or collectively to withstand powerful aggression.

"It is easy to see, therefore, how the Near and Middle East might become an arena of intense rivalry between outside powers, and how such rivalry might suddenly erupt into conflict.

"No country, great or small, has legitimate interests in the Near and Middle East which cannot be reconciled with the interests of other nations through the United Nations. The United Nations have a right to insist that the sovereignty and integrity of the countries of the Near and Middle East must not be threatened by coercion or penetration."

Apparently the situation in the Near East remained relatively unchanged, for on May 10 President İnönü of Turkey declared that the world situation continued "darker and even more unsettled than could have been foreseen a year ago".¹³ There appeared to be no new elements in the picture. Nevertheless, on June 4, 1946, Foreign Minister Bevin discussed the Turkish problem in an address before the House of Commons.¹⁴ He did not believe that there was any real basis for misunderstanding or "fundamental disagreement" concerning the Straits, and continued:

"We have been willing, equally with our predecessors, to consider the revision of the Montreux Convention. What we are anxious to avoid, and I emphasise this, is to do anything, or agree to anything, which will undermine the real independence of Turkey, or convert her into a mere satellite state. But, with the recognition of these principles, I am convinced that these two factors are not irreconcilable. Let me go further and say that we will always welcome the mercantile fleet of the Soviet Union on all the seas of the world. We sail the Baltic, but we have not got a base and

⁸ M. Epstein, the *Annual Register* (London, Longmans, Green, 1946) p. 215.

⁹ Turkish Embassy, Washington, *Press Release* no. 1, Feb. 1, 1946.

¹⁰ *Parliamentary Debates (Hansard)*. House of Commons. *Official Report*. Vol. 419, no. 87, Feb. 21, 1946, cols. 1357-59.

¹¹ *Parliamentary Debates (Hansard)*. House of Commons. *Official Report*. Vol. 421, no. 109, Mar. 25, 1946, cols. 6-7.

¹² *BULLETIN* of Apr. 14, 1946, p. 622.

¹³ Turkish Embassy, Washington, *Press Release* no. 8, May 17, 1946.

¹⁴ *Parliamentary Debates (Hansard)*. House of Commons. *Official Report*. Vol. 423, no. 153, June 4, 1946, cols. 1836-37.

have not got a port there. We will sail to Odessa again, to the Black Sea and Constanza, quite freely, but we do not ask for a base or military requirements to enable us to do so. Our aim, as a Government, is the free movement of shipping and the world's trade. Therefore, whatever responsibilities we undertake in the defence scheme of the world in any particular area, we give a solemn undertaking that they will be on a basis of freedom to all members of the Peace Club on equal terms. I believe that, if such an attitude is accepted all round, this great desire for bases can be considerably minimised."

III. The Great Debate: The Exchange of Notes on the Straits, 1946

The Soviet Note, August 7, 1946

The substantial exchange of views concerning the problem of the Straits began on August 7, 1946 when the Soviet Government presented a detailed note on the subject to the Turkish Government.¹⁵ This note was also transmitted to the Governments of Great Britain and the United States. The Soviet Government called the attention of the Turkish Government to the agreement at Potsdam as to the revision of the Montreux Convention, indicating that this question was to be "the subject of direct negotiations between each of the three powers and the Turkish Government". In the course of the note, the Soviet Government called attention to a number of incidents which had occurred in the Straits during World War II, as follows:

1. On July 9, 1941, the German patrol boat *Seefalke* was sent through the Straits into the Black Sea, with a resulting protest from the Soviet Government to the Turkish Government.

2. In August 1941, Turkish authorities permitted the Italian auxiliary warship *Tarvisio* to pass through the Straits into the Black Sea, with a consequent Soviet protest, as an apparent violation of the Straits convention.

3. On November 4, 1942, the Soviet Government again called the attention of the Turkish Government to the "fact" that Germany intended to send 140,000 tons of auxiliary warships through the Straits into the Black Sea under the guise of merchant vessels.

4. In June 1944, the Soviet Government pro-

tested against a series of passages through the Straits toward the end of May and early in June 1944 of German warships and auxiliary warships of varying tonnage of the *Ems* (8 vessels) and *Kriegstransport* (5 vessels) types, which had taken part in naval operations in the Black Sea.

The Soviet Government, therefore, believed that since the Montreux Convention had not, apparently, prevented the use of the Straits by enemy powers, it should be revised—as proposed at the Potsdam Conference. The Soviet Government also indicated its familiarity with the American note of November 2, 1945 and with the British note of November 21, 1945 which had been addressed to the Turkish Government on this question. For its own part, the Soviet Government proposed to establish a "new regime" for the Straits, along the following lines:

- "1) The Straits should be always open to the passage of merchant ships of all countries.

- "2) The Straits should be always open to the passage of warships of the Black Sea Powers.

- "3) Passage through the Straits for warships not belonging to the Black Sea Powers shall not be permitted except in cases specially provided for.

- "4) The establishment of a regime of the Straits, as the sole sea passage, leading from the Black Sea and to the Black Sea, should come under the competence of Turkey and other Black Sea powers.

- "5) Turkey and the Soviet Union, as the powers most interested and capable of guaranteeing freedom to commercial navigation and security in the Straits, shall organize joint means of defense of the Straits for the prevention of the utilization of the Straits by other countries for aims hostile to the Black Sea Powers."

The first three of these principles were in general agreement with the first three principles of the note of the United States Government of November 2, 1945. Points 4 and 5, however, called for the establishment of a new regime of the Straits by the Black Sea powers and the development of a joint Turco-Soviet system of defense for the Straits, on the ground that the Black Sea powers were primarily concerned and that only a joint defense system could offer genuine security to the countries of the Black Sea.

The American Note, August 19, 1946

The United States replied to the Soviet note on August 19, 1946,¹⁶ substantially reiterating its po-

¹⁵ BULLETIN of Sept. 1, 1946, p. 420.

¹⁶ BULLETIN of Sept. 1, 1946, p. 421.

sition of November 2, 1945 and expressing the view that the establishment of a regime of the Straits was not the exclusive concern of the Black Sea powers—a view which American representatives had set forth vigorously at the Lausanne conference in December 1922. The United States note further declared that Turkey should remain primarily responsible for the defense of the Straits and stated that if this region became the object of a threat or an attack on the part of an aggressor, the resulting situation “would constitute a threat to international security and would clearly be a matter for action on the part of the Security Council of the United Nations”. The American note also declared its position that “the régime of the Straits should be brought into appropriate relationship with the United Nations and should function in a manner entirely consistent with the principles and aims of the United Nations”. In conclusion the United States reaffirmed its willingness to participate in a conference for the revision of the Montreux Convention.

The British Note, August 21, 1946

The British note of August 21, 1946 expressed views similar to those of the United States. In particular, the British note pointed out:

“that it has for long been internationally recognized that the regime of the Straits is the concern of other States besides the Black Sea powers. His Majesty’s Government cannot, therefore, agree with the Soviet view that the future regime should be the concern of the Black Sea powers and Turkey alone.

“As regards the fifth proposal that Turkey and the Soviet Union should organize the defense of the Straits by joint means His Majesty’s Government consider that Turkey, as the territorial power concerned, should continue to be responsible for defense and control of the Straits.”

The Turkish Note, August 22, 1946

The Turkish Government replied to the Soviet note on August 22, 1946 in a very detailed statement,¹⁷ indicating that it had examined the Soviet position “with all the more attention” since the “international importance” of the question of the Straits was “only surpassed by the vital interest” which it represented “from the Turkish national point of view”. After repeating the thesis advanced in the Soviet note of August 7, the Turkish

note gave a detailed answer as to the charges concerning the passage of Axis vessels through the Straits, as follows:¹⁸

1. The motor-vessel *Seefalke*, of 37 tons, flying the German commercial flag and not listed in the record of war fleets, arrived at the entrance of the Dardanelles on July 6, 1941, requesting passage to go to Constanza. Since the vessel had none of the characteristics of warships listed in annex II of the Montreux Convention, it was authorized to pass through the Straits.

2. The Italian vessel *Tarvisio* passed the Straits in June 1941 as a commercial vessel. The passage was brought to the attention of the Turkish Foreign Ministry as fraudulent since the vessel had been listed as an auxiliary warship. Italy explained, however, that it had been removed from this list. Nevertheless the Turkish Government ordered that passage be stopped on the next attempt of the *Tarvisio*. When it appeared on August 9, 1941 at the Dardanelles passage was refused. After remaining at Çanakkale for 25 days with its radio apparatus sealed, the *Tarvisio* turned back into the Mediterranean on September 2, 1941. The Ambassador of the Soviet Union, on August 25, 1941, expressed his gratitude for the decision of the Turkish Government in this case and “confirmed that his government fully shared the Turkish point of view as regards the admissibility of the right to change auxiliary war vessels into commercial vessels.”

3. During November and December 1942 no German merchant vessels passed the Straits toward the Black Sea. From January 1, 1943 to January 1, 1944 only 10 German merchant ships, displacing in all 19,476 tons, passed through the Straits into the Black Sea.

¹⁷ Among other places, the Turkish note of Aug. 22 was published in the *New York Times*, Aug. 23, 1946.

¹⁸ See also Cemil Bilsel, “International Law in Turkey,” *American Journal of International Law*, October 1944, vol. xxxviii, no. 4, pp. 553–556. Ahmed Sükrü Esmer, “The Straits: Crux of World Politics,” *Foreign Affairs*, January 1947, vol. xxv, no. 2, pp. 290–302. It may also be noted that at this time the Soviet Government published a series of captured German documents bearing on Turkey, a review of which appeared in *Pravda*, Aug. 11, 1946, and in the *New Times*, Aug. 15, 1946, no. 16, pp. 26–30. The full publication consisting of 36 documents is: *Arkhiivnoe Upravlenie Ministerstva Inostrannikh Del Soiuza SSR. Dokumenti Ministerstva Inostrannikh Del Germanii. Vipusk II. Germanskaiia Politika v. Turtsii (1941–1943)*. OGIZ—Gospolitizdat. 1946.

4. Ships of the *Ems* type each displaced less than 100 tons, were not armed, had freight holds, and carried wood, coal or fodder. Ships of the *Kriegstransport* type had the character of merchant ships, were not represented in the list of German auxiliary warships, and could not be included in any of the categories of annex II of the convention. When the British Embassy informed the Turkish Foreign Ministry that the *Kriegstransport* type were in the service of the German navy, passage was refused.¹⁹

Although the Turkish Government could not accept the Soviet charges concerning its alleged conduct during the war, it was prepared to admit that the definitions of warships in annex II of the Montreux Convention and provisions "bypassed by events and weakened by experience, need to be adapted to technical progress and present conditions". It was, indeed, prepared for a revision of the Montreux Convention through an international conference including the signatories and the United States of America.

But the Turkish Government was unable to accept point 4 of the Soviet note of August 7, which called for the establishment of a regime of the Straits by Turkey and the other Black Sea powers. Nor could the Turkish Government accept point 5 as to the setting up of a joint Turco-Soviet system of defense for the Straits. From the Turkish point of view, the Soviet proposal was "not compatible with the inalienable rights of sovereignty of Turkey nor with its security, which brooks no restriction". Moreover, it was felt that from the international point of view, the Soviet proposal raised the "gravest objections". In the Turkish view, the surest guaranty for the security of the U.S.S.R. in the Black Sea lay "not in the search for a privileged strategic position in the Straits, a position incompatible with the dignity and sovereign rights of an independent country, but in the restoration of friendly and trusting relations with a strong Turkey," determined to inaugurate the happy era of friendly relations, "but whose efforts in this direction must be seconded

by an equal good will coming from its northern neighbor." The Turkish Government also felt that the security of each country was under the guaranty of the United Nations, of which both Turkey and the U.S.S.R. were members.

The Soviet Note, September 24, 1946

The Soviet Government answered the Turkish note on September 24, 1946, substantially reiterating the position taken in the Soviet statement of August 7, 1946. The second note repeated the charges of violations of the Montreux Convention during the recent war. It took account of the Turkish acceptance of the first three principles set forth in the August 7 note concerning commercial freedom in the Straits, opening of the Straits to the warships of Black Sea powers, and closure to warships of non-riparian powers "except in cases especially provided for". These principles had been enunciated in the American note of November 2, 1945.

In view of the Turkish objections, the Soviet note discussed points 4 and 5, involving the establishment of a regime of the Straits by the Black Sea powers and Turkey and the setting up of a joint Turco-Soviet system of defense for the Straits, at some length. In the opinion of the Soviet Government, since the Straits led into the closed Black Sea and differed, therefore, from world seaways like Gibraltar or the Suez Canal, it was necessary that a regime of the Straits which would above all meet the special situation and the security of Turkey, the U. S. S. R., and the other Black Sea powers should be established. The note indicated that Turkey had accepted the principle of the elaboration of a regime of the Straits by Turkey and the Black Sea powers in the treaties of Moscow (March 16, 1921) and Kars (October 13, 1921) and in the Turco-Ukrainian agreement of January 2, 1922.²⁰

The Soviet Government also elaborated on the theme of joint Turco-Soviet defense of the Straits, pointing, among other things, to the passage of the German cruisers *Goeben* and *Breslau* in August 1914 through the Straits as well as to alleged incidents during World War II.²¹ The fact that the Soviet Union had a shoreline of some 1,100 miles along the Black Sea which gave access to important regions of the U. S. S. R. was also cited as a reason for direct participation of the Soviet Union in the defense of the Turkish Straits. In the Soviet view,

¹⁹ For Mr. Eden's statement in the House of Commons on this subject see *Parliamentary Debates, House of Commons, Official Report*. Vol. 400, no. 90, June 14, 1944, cols. 1986-88.

²⁰ For texts see BULLETIN of Nov. 3, 1946, p. 791.

²¹ For details as to the *Goeben* and *Breslau* see *Foreign Relations*, 1914, Supp., pp. 62, *passim*.

only a joint system of defense could offer genuine security to all parties directly concerned, namely Turkey and the Black Sea states.

The Soviet Government also expressed the view that its position as to joint defense was entirely consonant with the principles of the Charter of the United Nations since the proposal was intended to serve not only the general interests of international commerce but to create the conditions for the maintenance of the security of the powers of the Black Sea and to contribute to the consolidation of the general peace.

Finally, the Soviet note stated the Soviet view, in the light of the Potsdam Conference, that the Montreux Convention should be revised to meet present conditions and that the calling of a conference for this purpose should be preceded by a discussion of the question through direct *pour-parlers* between governments.

The American Note of October 9, 1946

Although the Soviet note of September 24 was not addressed to the United States, the American Government again expressed its views in a note of October 9, 1946,²² reiterating its earlier position, expressed on November 2, 1945 and August 19, 1946. The United States Government recalled—

“that in the Protocol of the proceedings of the Potsdam Conference, signed by the U.S.S.R., Great Britain and the United States, the three Governments recognized that the Convention on the Straits concluded at Montreux should be revised as failing to meet present-day conditions. It was further agreed in the Protocol that as the next step the matter should be the subject of direct conversations between each of the three Governments and the Turkish Government.”

The American Government understood that the three governments, in agreement with each other as to the desirability of revision of the Montreux Convention, “mutually recognized that all three signatories of the Protocol have an interest in the regime of the Straits and in any changes which might be made in that regime”. Although the United States, in its note of August 19, 1946, had indicated that the regime of the Straits was a matter of concern not only to the Black Sea powers but to other powers, including the United States, the Soviet Government had reiterated its position as to the establishment of a new regime of the

Straits by the Black Sea powers in the Soviet note of September 24.

The American Government did not believe the Potsdam agreement contemplated that the “direct conversations” envisaged in the protocol “should have the effect of prejudicing the participation of the other two signatory powers in the revision of the regime of the Straits”. On the contrary, the United States considered that the Potsdam agreement “definitely contemplated only an exchange of views with the Turkish Government as a useful preliminary to a conference of all the interested powers, including the United States, to consider the revision of the Montreux Convention”. Finally, the United States reiterated its view that “the Government of Turkey should continue to be primarily responsible for the defense of the Straits and that should the Straits become the object of attack or threat of attack by an aggressor, the resulting situation would be a matter for action on the part of the Security Council of the United Nations”.

The British Note of October 9, 1946

The British Government replied to the Soviet Government on the same day, October 9. Like the American Government, Great Britain indicated that the Potsdam agreement “laid it down that as the next step” the problem of revision of the Montreux Convention should be “the subject of direct conversations between each of the three Governments and the Turkish Government”. In addition, however, the British Government stressed that the “next step” had already been completed “by the exchange of views which have now taken place between these Governments”. It, therefore, saw “no need for or purpose in continuing direct correspondence on the subject”. Although the British attitude towards points 4 and 5 of the Soviet note of August 7 remained as the Foreign Office had stated it on August 21, Great Britain was ready to attend a conference of the Soviet Union, the United States, the United Kingdom, France, and all other signatories of the Montreux Convention, with the exception of Japan, “to consider a revision of that Convention”.

The Turkish Note of October 18, 1946

In its note of October 18, 1946 the Turkish Government reaffirmed its earlier position, once more

²² BULLETIN of Oct. 20, 1946, p. 722.

replying point by point to the Soviet charges of misconduct during the recent war. The note reiterated certain difficulties in the technical distinctions of annex II of the Montreux Convention between warships and commercial vessels. The note stressed, however, that the "real threat to the security of the Soviet Black Sea shores came from the occupation of a large part of the shore of that Sea by the German Armies, from the German possession of the Rumanian and Bulgarian fleets and from the presence of German and Italian ships sent to the Black Sea ports by rail or through the Danube." The Turkish Government believed, however, that the Montreux Convention required revision. In the first place, annex II, which defined warships, required technical revision. Moreover, the provisions of the Montreux Convention relative to the League of Nations would have to give way to the system established by the United Nations, "in its task of preserving the peace of the world". Finally, Japan should be removed from the list of contracting parties, and the United States should become a signatory of the revised convention. It was within this framework that the Turkish Government envisaged an eventual revision of the Montreux Convention and was willing to be represented at a conference for revision of the convention. It would, therefore, make no difficulty concerning such a conference. Nevertheless, the Turkish Government could not admit "unfounded complaints tending to justify this revision on the basis of an alleged responsibility on its part, born of pretended violations of the regime of the Straits in the course of the Second World War".

Once more, the Turkish Government took special note of the Soviet contention that the regime of the Straits should be elaborated by Turkey and the Black Sea powers, in view of their special interests and in view of the fact that, in the Soviet view, the Black Sea was a "closed sea". In reply the Turkish Government pointed out that the Montreux Convention had already established "a preferential regime in favor of the *riverain* Powers". But it was unable to accept the Soviet reasoning based on the 1921-1922 treaties or the argument as to the "closed sea". Moreover, it pointed out that, in accordance with the Montreux Convention revision could take place "in an international conference uniting the contracting States and in accordance

with a procedure foreseen by the text of the convention itself".

The Turkish Government agreed with the Soviet Government that the Montreux Convention went further than the Lausanne Convention of the Straits and established "a sharply-defined system of preference" for the benefit of the Black Sea powers. Nevertheless, it was also clear to the Turkish Government that the three principles for revision of the convention proposed by the United States, supported by Great Britain, Turkey, and the Soviet Union offered the possibility "of giving greater satisfaction to the Soviet desiderata".

Likewise, the Turkish Government could not accept point 5 as to the establishment of a joint Turco-Soviet system for defense of the Straits, which it continued to regard "as incompatible with the sovereignty and the security of Turkey, without previously having examined the concrete suggestions of the Soviet Government on this subject". The question had been discussed in the Saracoglu-Molotov discussions in September and October 1939. Acceptance by Turkey of a joint system of defense of the Straits "would mean no less than the sharing of her sovereignty with a foreign power". Turkey was anxious for friendship with the Soviet Union, however, and it urged stress on the United Nations as the hope for the security and peace of all nations.

Relying on the explanations of its attitude, the Turkish Government was convinced that it had established tangible proof of its good-will and of its spirit of conciliation in agreeing to participate in a conference for revision of the Montreux Convention. It appealed to the Soviet Government to study, in its turn, the reflections which the Turkish proposals might evoke, with the same good-will and objectivity. The Turkish Government felt that the direct conversations contemplated by the Potsdam Conference had been fulfilled, and doubted the usefulness and advisability of continuing to follow the same procedure as to exchange of views by correspondence. It therefore declared its readiness to attend a conference for revision of the Straits convention at which representatives of the Soviet Union, the United States, Great Britain, and France, and the signatories of the Montreux Convention, with the exception of Japan, would attend.

IV. Toward the End of the Great Debate

By the fall of 1946 the great debate over the question of the Turkish Straits, in which the United States, the Soviet Union, Great Britain, and Turkey had outlined their fundamental position concerning the problem, appeared to be drawing to a close. There was no indication, however, that the argument was really over.

On October 22, 1946,²³ Mr. Bevin summarized the British position as it stood after the exchange of notes which had taken place since August 7. He advised the House of Commons of the Potsdam agreement, adding that he thought "there should be a discussion between the great powers and Turkey, in order to consider a revision of the Montreux Convention". The basic British position was more or less as follows, according to the British Foreign Minister:

"At the various international conferences during the last three or four years, and in their latest correspondence with the Turkish Government, the Soviet Government have made it clear that they are anxious to obtain a base in the Straits, which would ensure, in effect, that the control of this waterway would rest in the hands of the Soviet Union and not in the hands of the territorial Power most clearly concerned. His Majesty's Government have made it clear that in their view, if this were adopted, it would involve an unwarrantable interference with the sovereignty of Turkey, and the effect of it would be to put her really under foreign domination, and would also represent an improper interference with the rights of other Powers concerned. During the last two months, the Soviet Government have placed their views publicly on record in two Notes to the Turkish Government, which have received wide publicity. I repeat that His Majesty's Government do not dispute that the existing Convention requires modification in certain respects to bring it into accord with present day conditions. For instance, at present Japan is one of the signatories. The Convention itself contains a number of references to the League of Nations and the definition of warships given in an annex to the Convention is clearly out of date. We agreed at Potsdam with the United States and the Soviet Government that as a next step matters

should be the subject of direct conversations between each of the three governments concerned, and the Turkish Government. But, while recognising that revision is necessary, His Majesty's Government are very anxious to keep the international aspect of this waterway always in view."

Mr. Bevin took note of the Soviet charges that the Montreux Convention had not prevented enemy powers "from using the Straits for hostile purposes against the Soviet Union, and other Allied States". The British Government, although it had had "some difference of opinion with the Turkish Government about the interpretation of the Convention, held that, on the whole, its terms had been conscientiously observed". The British Government was unable to accept the position that the regime of the Straits should be reserved to the Black Sea powers alone and that Turkey and the Soviet Union should jointly organize the defense of the Straits. Against this view, Great Britain had pointed out the international character of the Straits and had declared that the proposal for a joint Turco-Soviet system of defense "was not acceptable". As the territorial power, Turkey "should continue to be responsible for the defence and control of the Straits". This view was similar to that of the United States. Mr. Bevin now felt, in view of the exchange of notes, in which the powers had outlined their basic positions, in accordance with the Potsdam Agreement, "any further discussions should . . . take place at an international conference" for the revision of the Montreux Convention. If such a conference were called, of the United States, Great Britain, France, the Soviet Union, and all the other signatories of the Montreux Convention, other than Japan, Great Britain would be glad to join, "and to strive hard for an agreed solution of this difficult problem". A solution of the problem should take into account "the legitimate interests of Turkey and the Soviet Union", with both of which Great Britain had treaties of alliance. But any solution should "respect the sovereignty of Turkey and the interest of other Powers concerned outside the Black Sea". The British Foreign Minister believed that if the case were "not pushed unilaterally, and is dealt with on an international basis," a solution would be found. Matters had, nevertheless, been made much more awkward by "the war of nerves" which had been carried on,

(Continued on page 167)

²³ *Parliamentary Debates (Hansard). House of Commons. Official Report. Vol. 427, no. 201, Oct. 22, 1946, cols. 1500-1502.*

THE UNITED NATIONS

Report on United States Participation in World Bank¹

THE PRESIDENT'S LETTER OF TRANSMITTAL

To the Congress of the United States:

In accordance with section 4 (b) (5) of the Bretton Woods Agreements Act, there is transmitted herewith a report by the National Advisory Council on International Monetary and Financial Problems with respect to the participation of the United States in the International Bank for Reconstruction and Development and in the International Monetary Fund to October 31, 1946.

HARRY S. TRUMAN

THE WHITE HOUSE,
January 13, 1947.

EXCERPTS FROM THE REPORT

III. Payments Made by the United States to the Fund and the Bank

In accordance with the articles of agreement of the fund, each government signing the agreement paid one one-hundredth of 1 percent of its total subscription to the fund in gold or United States dollars. These payments were held in a special deposit account in the Treasury until the inaugural meeting of the Board of Governors of the fund, and on March 29, 1946, they were transferred to the fund. The fund has received a total of \$737,250 from these payments by members. The United States paid \$275,000 to the fund under this clause.

The balance of the subscription of the United States to the fund will be paid in accordance with article III, section 3, and article XX, section 4 (c), of the agreement, which provide for full payment

on or before the date when the fund begins exchange transactions. Funds for this purpose have already been provided by section 7 of the Bretton Woods Agreements Act. In accordance with section 7 (c) of the Bretton Woods Agreements Act, the United States intends to exercise its option under article III, section 5, of the fund agreement, to deliver special nonnegotiable, non-interest-bearing notes of the United States payable on demand in exchange for dollars not needed by the fund for its operations.

The articles of agreement of the bank (art. XI, sec. 2 (d)) require the payment of one one-hundredth of 1 percent of the capital subscription of each member country at the time of signature of the articles. These payments were treated in the same way as the initial payments to the fund noted above. Accordingly, the United States paid the bank \$317,500 under this clause. Total payments by all member countries aggregated \$767,000.

Under article II, sections 7 and 8, the balance of 2 percent of the capital subscription became payable within 60 days after the bank began operations—i. e., on or before August 24, 1946. The United States accordingly paid an additional \$63,182,500 to the bank on June 28, 1946. The bank, in accordance with article II, sections 5, 7, and 8, called for an additional 3 percent (\$95,250,000) as of June 25, 1946, payable on or before November 25, 1946. This call was likewise paid on June 28, 1946. The total paid to the bank by the United States as of October 31, 1946, amounted, therefore, to \$158,750,000.

As of September 25, 1946, the bank called an additional 5 percent of the capital subscription of all members payable by November 25, 1946, and it has also given notice that it intends to make two

¹ H. Doc. 53, 80th Cong.

additional calls of 5 percent each, payable by February 25, 1947, and May 26, 1947, respectively. The United States payment on each of these calls will be \$158,750,000, so that a total of \$635,000,000 will be paid in on capital subscription by the United States. The remainder of the United States subscription to the capital stock of the bank will not be called unless funds are needed to make payments to investors to meet obligations of the bank.

In accordance with the Bretton Woods Agreements Act, the United States will exercise its option to deliver nonnegotiable, non-interest-bearing demand notes in exchange for dollars not needed in the bank's operations, as provided in article V, section 12, of the bank agreement.

VI. Principal Actions of the Bank and Fund

The Executive Directors fixed June 25, 1946, as the date upon which the bank would formally begin operations and called for the balance of the initial 2 percent of the capital subscription. Mr. Eugene Meyer (United States) was elected President and took office on June 18, 1946.

The Executive Directors of the fund at their first meeting on May 6, 1946, elected Mr. Camille Gutt (Belgium) as Managing Director. On September 12, 1946, the fund announced that "it will shortly be in a position to begin exchange transactions" (art. XX, sec. 4) and requested the members to communicate the par values of their currencies. The fund may begin exchange transactions after the exchange parities have been agreed with the fund by members having an aggregate of at least 65 percent of the quotas established at Bretton Woods.

A. Admission of members

The United States has favored the early admission to membership in the bank and fund of all peace-loving nations. The United States Government supported the extension until December 31, 1946, of the period of time during which countries represented at Bretton Woods might accept membership in these institutions on the same terms as the original signatories. During the Savannah meeting, or shortly thereafter, five members joined both the fund and the bank, viz, Cuba, Denmark, Nicaragua, Panama, and El Salvador. The extension still applies to Australia, Haiti, Liberia, New Zealand, the Union of Soviet Socialist Re-

publics and Venezuela. Colombia joined the fund but not the bank and is also eligible under this extension to join the bank.

The United States has also supported the admission of new members, and at the first annual meeting of the Boards of Governors in Washington applications were accepted from Italy, Lebanon, Syria, and Turkey. Quotas in the fund for the new members were fixed at this time (Italy, 180 million dollars; Lebanon, 4.5 million dollars; Syria, 6.5 million dollars; and Turkey, 43 million dollars). Subscriptions to the capital stock of the bank are in the same amount as the fund quota for each country.

B. Revisions of quotas and subscriptions

The Board of Governors of the fund, with the concurrence of the United States, voted during the Washington meeting to increase the quota of France in the fund from 450 million dollars to 525 million dollars, and of Paraguay from 2 million dollars to 3.5 million dollars, conditional upon application for proportionate increases in their subscriptions to the bank. The Board of Governors of the bank approved increases in the bank subscription of France to 525 million dollars and of Paraguay to 1.4 million dollars.

C. Functions and remuneration of the executive directors

The United States has favored a broad delegation of powers to the Boards of Executive Directors of both the bank and the fund and has supported the principle that the offices of Executive Directors (and their alternates) should be full-time positions. It is provided in the bylaws of the bank and of the fund that—

It shall be the duty of an Executive Director and his alternate to devote all the time and attention to the business of the bank [fund] that its interests require, and, between them, to be continuously available at the principal office of the bank [fund].

The Boards of Governors of the bank and of the fund decided to fix the remuneration of Executive Directors (and their alternates) on the basis of full-time service, but where a director or alternate serves only on a part-time basis his remuneration is to be prorated according to the proportion of his time devoted to the institution.

The following resolution concerning national taxes on salaries and allowances was passed at the

Savannah meeting by the Boards of Governors of the bank and the fund.

Appropriate measures for the elimination or equalization of the burden of national taxes upon salaries and allowances paid by the International Bank for Reconstruction and Development [International Monetary Fund] are indispensable to the achievement of equity among its members and equality among its personnel—

Therefore—

The Board of Governors of the International Bank for Reconstruction and Development [International Monetary Fund] recommends to the members of the bank [fund] that necessary action be taken by them to exempt from national taxation salaries and allowances paid out of the budget of the bank [fund] to the President [Managing Director], the Executive Directors and their alternates and to the staff of the bank [fund].

When the Congress is again in session, the Council will give consideration to the problem raised by this resolution insofar as the United States is concerned, in the light of the similar problem which has arisen in the case of American citizens employed by the United Nations and other international bodies of which the United States is a member.

D. Other actions of the bank and fund

The articles of agreement of the bank and of the fund provide that their principal offices are to be located in the country with the largest subscription and quota, respectively. Since these institutions are intergovernmental bodies, the United States delegation favored the location of their principal offices in Washington. This view prevailed at the Savannah Conference.

The United States representatives have shared a substantial identity of view with the representatives of the other members of the bank and the fund on many other matters which have been considered.

At the first annual meeting the Governors of the fund also adopted a resolution on silver introduced

by the Governor for Mexico. The conclusion of this resolution is as follows:

The fund shall gather whatever material is available and obtainable on the monetary uses of silver; the real function of silver coins; risks and uncertainties of its monetary uses; possibilities of cooperation in the use of silver for monetary purposes, etc. In general, the fund shall gather material, statistical or otherwise, which could be useful in facilitating discussions on the subject in an international conference among interested member countries.

The Boards of Governors decided to hold their next annual meetings at London in September 1947. Officers were elected to hold office until the end of the second annual meeting. The Governor for the United Kingdom was elected Chairman, and the Governors for China, France, India, and the United States were elected Vice Chairmen for the ensuing year.

First Session of the Commission on Human Rights¹

The first session of the Commission on Human Rights is scheduled to convene on January 27, 1947 and is expected to last two weeks. The Commission was established by the United Nations Economic and Social Council at its first session in recognition of the great concern with which the United Nations Charter regards "human rights and fundamental freedoms" (Articles 1 (3), 13 (1, b), 55 (6), 62 (2), and 76 (6)).

In April 1946, a nuclear group composed of experts from six countries² under the chairmanship of Mrs. Franklin D. Roosevelt set forth principles which might guide the operations of the full Commission. As amended by the Economic and Social Council at its second session the most important of these principles dealt with machinery for the drafting and possible implementation of an international bill of rights and the authorization of subcommissions on freedom of information and of the press, protection of minorities, and prevention of discrimination. At its forthcoming meeting the full Commission of 18 members coming from Australia, Belgium, Byelorussian S. S. R., Chile, China, Egypt, France, Iran, Lebanon, Panama, Philippine Republic, Ukrainian S. S. R., United Kingdom, United States, Union of Soviet Socialist Republics, Uruguay, and

¹ Prepared by the Division of International Organization Affairs, Office of Special Political Affairs, Department of State.

² The experts were: Mr. Borsio (U. S. S. R.); Mr. Brkish (Yugoslavia); Prof. Cassin (France); Dr. Hsia (China); Mr. Neogi (India); and Mrs. Roosevelt (United States). The following were unable to attend: Mr. Berg (Norway); Mr. Dehousse (Belgium); and Mr. Haya de la Torre (Peru).

Yugoslavia will consider these proposals in further detail. In addition it will consider matters such as communications received by the United Nations Secretariat dealing with alleged violation of human rights, and relations with other organizations.

Recognition of human rights on the broad scale implied in the United Nations Charter is regarded as a new development in international affairs. No counterpart existed in the League of Nations Covenant. The interest of United Nations members in the subject was recently shown in the General Assembly when the following human rights questions were given the most serious attention: (1) racial persecution and discrimination (resolution proposed by Egypt); (2) alleged discriminations of Indians in South Africa (question raised by India); (3) adoption of an international bill of rights (proposed by Panama); (4) declaration that genocide is an international crime (resolution proposed by Cuba, India, and Panama); and (5) International Conference on Freedom of Information (proposed by the Philippine Republic).

Operating in a field where precedents are few and far between, and under the eyes of a world which expects definite accomplishments, the task of the Commission on Human Rights is one of the most difficult assigned to the United Nations.

Appointment of Deputy Director-General of UNESCO

The Department of State has been informed by the American Embassy in Paris that Dr. Walter H. C. Laves has been appointed Deputy Director-General of the United Nations Educational, Scientific and Cultural Organization. The appointment was made by the Standing Committee of the Executive Board of UNESCO. Dr. Laves, administrative consultant on international affairs in the Bureau of the Budget, served as an adviser to the American Delegation to the General Conference to UNESCO, held in Paris November 19–December 10, 1946.

Confirmations of U.S. Representatives to United Nations

The Senate on January 13 confirmed the following nominations of representatives of the United States to the United Nations:

Warren R. Austin, to be the representative of the United States of America to the United Nations, with the rank and status of Ambassador Extraordinary and Plenipotentiary, and the representative of the United States in the Security Council of the United Nations.

Mark Foster Etheridge, to be the United States representative on the Commission of Investigation established by the Security Council of the United Nations on December 19, 1946 to ascertain the facts relating to alleged border violations along the frontier between Greece on the one hand and Albania, Bulgaria, and Yugoslavia on the other.

The Senate on January 17 confirmed the nomination of Warren R. Austin to be the representative of the United States on the United Nations Commission on Atomic Energy.

The Senate on January 17 confirmed the following nominations to be members of the Economic and Social Council of the United Nations:

Isador Lubin to be a member of the Economic and Employment Commission of the Economic and Social Council for a term of 4 years.

Edward F. Bartelt to be a member of the Fiscal Commission of the Economic and Social Council of the United Nations for a term of 2 years.

Mrs. Anna Eleanor Roosevelt to be a member of the Human Rights Commission of the Economic and Social Council of the United Nations for a term of 4 years.

Philip M. Hauser to be a member of the Population Commission of the Economic and Social Council of the United Nations for a term of 2 years.

Stuart A. Rice to be a member of the Statistical Commission of the Economic and Social Council of the United Nations for a term of 2 years.

Miss Dorothy Kenyon to be a member of the Commission on Status of Women of the Economic and Social Council of the United Nations for a term of 3 years.

Arthur J. Altmeyer to be a member of the Social Commission of the Economic and Social Council of the United Nations for a term of 2 years.

George P. Baker to be a member of the Transport and Communications Commission of the Economic and Social Council of the United Nations for a term of 4 years.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

*Calendar of Meetings*¹

In Session as of January 19, 1947		1946
Far Eastern Commission	Washington	Feb. 26
United Nations:		
Security Council	Lake Success	Mar. 25
Military Staff Committee	Lake Success	Mar. 25
Commission on Atomic Energy	Lake Success	June 14
UNRRA - Intergovernmental Committee on Refugees (IGCR): Joint Planning Committee	Washington and Lake Success	July 25
Telecommunications Advisory Committee	Lake Success	Nov. 10
Committee To Study Relief Data	Lake Success	Dec. 19
German External Property Negotiations (Safehaven):		
With Portugal	Lisbon	Sept. 3
With Spain	Madrid	Nov. 12
Inter-Allied Trade Board for Japan	Washington	Oct. 24
FAO: Preparatory Commission To Study World Food Board Pro- posals	Washington	Oct. 28
Inter-Allied Reparation Agency (IARA): Meetings on Conflicting Custodial Claims	Brussels	Nov. 6-Dec. 17 ²
PICAO:		1947
Interim Council	Montreal	Jan. 7
Personnel Licensing Division	Montreal	Jan. 7-24 (tentative)
Aeronautical Maps and Charts Division	Montreal	Jan. 14
Twelfth Pan American Sanitary Conference	Caracas	Jan. 12-24
Second Pan American Conference on Sanitary Education	Caracas	Jan. 12-24
Council of Foreign Ministers: Meeting of Deputies	London	Jan. 14-Feb. 24
International Wheat Council	Washington	Jan. 15
Scheduled for January - March 1947		
United Nations:		
Economic and Social Council (ECOSOC)		
Drafting Committee of International Trade Organization, Preparatory Committee.	Lake Success	Jan. 20-Feb. 28
Economic and Employment Commission	Lake Success	Jan. 20-Feb. 1
Social Commission	Lake Success	Jan. 20-Feb. 1
Human Rights Commission	Lake Success	Jan. 27-Feb. 8
Statistical Commission	Lake Success	Jan. 27-Feb. 8
Population Commission	Lake Success	Feb. 6-19
Transport and Communications Commission	Lake Success	Feb. 6-19
Commission on the Status of Women	Lake Success	Feb. 10-22
Subcommission on Economic Reconstruction of Devastated Areas, Working Group for Asia and the Far East	Lake Success	Feb. 14

¹ Prepared in the Division of International Conferences, Department of State.

² Will resume session Jan. 29.

United Nations—Continued		1947
Economic and Social Council (ECOSOC)—Continued		
Non-governmental Organizations Committee	Lake Success	Feb. 25-27
Standing Committee on Negotiations with Specialized Agencies .	Lake Success	Feb. 28
ECOSOC, Fourth Session of	Lake Success	Feb. 28
Trusteeship Council	Lake Success	Before Mar. 15
Meeting of Experts on Passport and Frontier Formalities	Geneva	Mar. 17
Committee on Progressive Development and Codification of International Law	Lake Success	March
Conference for the Establishment of a Regional Advisory Commis- sion for Non-Self-Governing Territories in the South and South- west Pacific	Canberra	Jan. 28-Feb. 16 (tentative)
Subcommittee of Emergency Economic Committee for Europe on Housing Problems	The Hague	Jan. 30
ILO:		
Industrial Committee on Petroleum Production and Refining . .	Los Angeles	Feb. 3-12
101st Session of the Governing Body	Geneva	Mar. 5-8
Committee on Social Policy in Dependent Territories	London	Mar. 17-22
Committee of Experts on the Application of Conventions	Geneva	Mar. 24-29
Industrial Committee on Coal Mining	Geneva	Mar. or Apr.
Industrial Committee on Inland Transport	Geneva	Mar. or Apr.
PICAO:		
Divisional		
Accident Investigation Division	Montreal	Feb. 4
Airworthiness Division	Montreal	Feb. 18
Airline Operating Practices Division	Montreal	Feb. 25
Regional		
South Pacific Regional Air Navigation Meeting	Melbourne	Feb. 4
Conference of the International Union for Protection of Industrial Property	Neuchâtel	Feb. 5
Signing of Peace Treaties with Italy, Hungary, Bulgaria, Rumania, and Finland	Paris	Feb. 10
International Refugee Organization: Preparatory Commission . . .	Geneva	Feb. 11
International Children's Fund: Executive Board	Lake Success	Feb. 24
Council of Foreign Ministers	Moscow	Mar. 10
World Health Organization (WHO): Third Session of Interim Com- mission	Geneva	Mar. 31
European Central Inland Transport Organization (ECITO): Seventh Session of the Council	Paris	March

Activities and Developments »

U. S. DELEGATION TO SOUTH PACIFIC REGIONAL AIR NAVIGATION MEETING OF PICAO

The Secretary of State announced on January 18 that the President has approved the composition of the United States Delegation to the South Pacific Regional Air Navigation Meeting of the Provisional International Civil Aviation Organization (PICAO) scheduled to convene at Melbourne, Australia, on February 4, 1947.

This conference is the fifth regional meeting scheduled in a series of conferences called by PICAO to determine international requirements for the safety of aerial flights and related matters, including aviation communications, air-traffic control, search and rescue, airdromes and ground aids, and meteorology. The first of these conferences was held at Dublin in March 1946 and covered the North Atlantic area; the second at Paris in April covered the European and Mediterranean areas; the third at Washington, D. C., in August covered the Caribbean air routes; and the fourth at Cairo in October covered the Middle East area.

The Australian Government, at the request of PICAO, has invited some 15 countries and 4 international organizations to send delegates to the Melbourne meeting.

The membership of the official United States Delegation is as follows:

Delegate

Glen A. Gilbert, Consultant to the Administrator, Civil Aeronautics Administration

Alternate Delegate

Capt. A. S. Heyward, U.S.N., PICAO Coordinator, Navy Department

Advisers

James F. Angier, Representative for Aerodromes, Air Routes and Ground Aids, Office of the Administrator, Civil Aeronautics Administration

Clifford P. Burton, Representative of Air Traffic Control, Office of the Administrator, Civil Aeronautics Administration

Leo G. Cyr, Aviation Division, Department of State

James D. Durkee, Chief, International Aviation Section, Engineering Division, Federal Communications Commission

R. L. Froman, Technical Assistant to the Director, Safety Bureau, Civil Aeronautics Board

L. Ross Hayes, Representative for Telecommunications and Radio Aids to Air Navigation, Office of the Administrator, Civil Aeronautics Administration

D. M. Little, Assistant Chief of Bureau for Technical Services, U.S. Weather Bureau

Lt. Comdr. J. D. McCubbin, Search and Rescue Agency, United States Coast Guard

Ray F. Nicholson, Representative for Flight Operations, Office of the Administrator, Civil Aeronautics Administration

Col. Carl Swyter, U.S.A., PICAO Representative, War Department

Secretary

Effingham P. Humphrey, Jr., Division of International Conferences, Department of State

Administrative Assistant

Mary Bean, Civil Aeronautics Administration

CARIBBEAN COMMISSION¹

The Caribbean Commission held its third meeting in Willemstad, Curaçao, Netherlands West Indies, from December 10 through December 14, 1946 on the site of the former United States naval base, which has been returned to the local government and refurbished as a hotel for government officials. Dr. J. C. Kielstra, Chairman of the Netherlands Section, presided at the meeting—the first to be held on Netherlands soil. The Caribbean Commission is comprised of France, the Netherlands, the United Kingdom, and the United States.

The major work of the six sessions of the meeting fell into two categories: (1) organizational and procedural matters involved in establishing the Central Secretariat in Trinidad; and (2) implementation of recommendations made by the second session of the West Indian conference held in February–March 1946.

The machinery for the effective operation of this four-nation body was put into effect less than six months after the formulation of the agreement by which it was established, and less than three months after the formal signing of the agreement, by the establishment in Trinidad of the Central Secretariat. Details of the organization and operation of the Secretariat were worked out and a directive on these matters issued to the Secretary General. All members of the senior staff were appointed from among the four nations represented on the Commission. A detailed budget was approved which, in addition to being an agreement on finances, provides a general outline for the work of the Secretariat for its first fiscal year.

Recommendations made by the second session of the West Indian conference had been accepted in principle by the Commission. For the purpose of careful analysis and ultimate presentation to the metropolitan governments, the recommendations had been divided into: (1) those which could be recommended to the metropolitan governments immediately; (2) those which first must be referred to the territorial governments concerned; (3) those on which the Caribbean Research Council should give advice; and (4) those which re-

¹ Prepared by the Caribbean Commission, U. S. Section, Department of State.

quired prior investigation and consideration by the Central Secretariat. The four national sections reported to the full Commission the action that had been taken on these matters.

The Secretary General advised the Commission that the industrial survey of existing industries and industrial potentials of the Caribbean region would shortly be under way. The study is preliminary to the calling of a conference on industrial development recommended by the West Indian conference, and is in line with the long-range objectives of the Commission to raise the

standard of living in the area through increased employment opportunities.

Commissioners attending the Curaçao meeting were: *France*, Pierre Pelieu (Co-Chairman), Madame Eugenie Eboue Tell, Antoine Wiltord, C. Beauregard; *Netherlands*, Minister Dr. J. C. Kielstra (Co-Chairman), L. A. H. Peters, C. H. H. Jongbaw, W. D. de la Try Ellis; *United Kingdom*, Sir John Macpherson (Co-Chairman), R. D. H. Arundell, Garnet H. Gordon; *United States*, Charles W. Taussig (Co-Chairman), Rexford G. Tugwell, Rafael Pico.

Sixth Session of the UNRRA Council

Article by David Persinger

The sixth session of the UNRRA Council was held at the Shoreham Hotel, Washington, D. C., December 10 to December 13, 1946. Of the 48 member governments, 43 were represented at the session.¹ In addition to the delegates there were official observers present from United Nations, United Nations Educational, Scientific and Cultural Organization (UNESCO), Food and Agriculture Organization (FAO), Intergovernmental Committee on Refugees (IGCR), International Monetary Fund, International Bank, International Labor Organization (ILO), Interim Commission of the World Health Organization (WHO), Emergency Economic Committee for Europe (EECE), International Emergency Food Council (IEFC), World Federation of Trade Unions (WFTU), and Albania, Austria, Finland, Hungary, and Italy. Special visitors representing the American Council of Voluntary Agencies for Foreign Service, the Advisory Committee on Voluntary Foreign Aid, and Portugal, Sweden, Switzerland, and the Vatican also attended.

The principal subjects debated were: (1) the extent to which UNRRA should attempt to fulfil country programs as approved in June 1946, and the dates by which shipments are to cease; (2) whether a further session should be held and, if not, the delegation of the Council's authority to the Central Committee; (3) the continued encouragement of the repatriation of displaced persons; and (4) acceptance of the resignation of the Director General and the selection of his successor.

The Director General, F. H. La Guardia, opened the session on December 10. Acting Secretary Dean Acheson, on behalf of the United States, welcomed the delegates. The Council elected Henrik Kauffman, member for Denmark, chairman of the session. The members for Poland, Chile, and France were elected first, second, and third vice chairmen, respectively. The session was by far the shortest in UNRRA's history, largely because the problem of relief financing in 1947, a problem which had been debated for a full week at the fifth session,² had just been decided by the United Nations General Assembly at New York where the advocates of an international relief fund had finally lost.

It was clear, therefore, at the sixth session of UNRRA that all that remained to be done was to settle the few problems relating to the closing out of operations.

¹ The following member governments were represented: Australia, Belgium, Bolivia, Brazil, Byelorussian S.S.R., Canada, Chile, China, Colombia, Costa Rica, Cuba, Czechoslovakia, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, France, Greece, Guatemala, Haiti, Honduras, Iceland, India, Iran, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Panama, Peru, Poland, Philippine Republic, Turkey, Ukrainian S.S.R., Union of South Africa, U.S.S.R., United Kingdom, United States, Venezuela, and Yugoslavia. The five member governments which were not represented were: Iraq, Liberia, Paraguay, Nicaragua, and Uruguay.

² For an article by Mr. Persinger on the accomplishments of the fifth session of the Council of UNRRA, see BULLETIN of Sept. 22, 1946, p. 523.

Completion of Programs

The most extended debate revolved about a United States proposal that the country programs as approved by the Central Committee in June 1946 should now be reviewed and, if desirable, modified. The United States position was that the Central Committee had approved the programs on the basis of information available in June but had expressly reserved the right of review should changed conditions later warrant it; that conditions had changed in a number of receiving countries, some for the better, some for the worse; that conditions had also changed in the United States so that programs which once appeared feasible could no longer be so regarded because some of the approved supplies could not now be procured within the time limits fixed by Congressional legislation; that unforeseen needs for foodstuffs in some countries outweighed the continued need for non-food items in other countries; that since UNRRA funds were the only funds immediately available for relief they should be used in the manner most equitable under present circumstances.

The opposition was vigorous. It was led by the Director General who cited Resolution 101, adopted at the fifth session, as his principal support. Resolution 101 recites: "*Resolved: 1. That the Administration should make every effort to complete procurement and shipments against approved programs of operation within the dates specified . . .*" The Director General insisted that it referred to programs as approved at the time of the fifth session (August 1946); the United States representative, C. Tyler Wood, insisted that it referred to programs as approved by the Central Committee from time to time.

Mr. Wood had gone on record many times as citing that approval by the Central Committee does not constitute a commitment to a receiving country. His statement at the sixth session was consistent with his previous statements to the Central Committee and to the Council. On the other hand, the Director General, at the fifth session, in reply to a question from the floor, had promised that the programs as then approved would be fulfilled. It thus appears that there had been no real meeting of minds at the fifth session.

After intermittent debate, the Council finally adopted Resolution 114, which provides in part that, "In view of the desirability of bringing approved programs to an early conclusion, such pro-

grams shall not be altered by the Central Committee except when circumstances clearly warrant such action."

Resolution 114 extends the termination dates of shipments to March 31, 1947 in the case of Europe and to June 30, 1947 in the case of the Far East. In agreeing to this resolution, Mr. Wood emphasized that, so far as the United States is concerned, he could not promise full compliance with the wishes of the Council, because the final authority rested with the Congress, not with the Executive Branch of the Government. He urged that the Administration make strenuous efforts to complete shipments as soon as possible after December 31, 1946.

The importance of the foregoing debate and resolution becomes apparent when it is recognized that more than \$600,000,000 of UNRRA funds remained uncommitted on January 1, 1947.

A Seventh Session of the Council

The second item on the Council agenda raised the question whether the sixth session should be the last, and if so, what instructions the Council should give the Central Committee when it turned over its functions to the Committee. The United States supported the proposal that no further session was needed, largely on the ground that the sixth session could establish all policies necessary for the winding up of UNRRA's operations, and therefore it would be desirable to save the money which would otherwise be spent on a seventh session.

There was little support for this proposal and much opposition, led by the Union of the Soviet Socialist Republics representative, who graphically remarked that it would "bury the Council prematurely and alive". The Soviet representative then pointed out that a decision to waive another meeting of the Council would constitute an amendment of the UNRRA agreement and that such an action required the unanimous consent of the Central Committee of which the Union of Soviet Socialist Republics is a member. The Council adopted Resolution 115 which provides that a seventh session shall be convened prior to June 30, 1947, unless the Central Committee shall unanimously agree that another session is unnecessary, in which case all the powers of the Council shall be vested in the Central Committee.

(Continued on page 177)

Trade Agreements Negotiations

EXCHANGE OF LETTERS BETWEEN SENATOR BUTLER AND UNDER SECRETARY CLAYTON

[Released to the press January 17]

Correspondence between Hugh Butler, United States Senator from Nebraska, and William L. Clayton, Under Secretary of State for Economic Affairs, concerning negotiations under the Reciprocal Trade Agreements Act

December 19, 1946.

DEAR MR. CLAYTON:

Reference is made to the recent announcement of intention to negotiate Trade Agreements with 18 foreign countries.¹ I am writing to urge that these negotiations be temporarily suspended until the new Congress shall have an opportunity to write a new foreign trade policy. This announcement apparently indicates an intention to continue with the present tariff-reduction program, despite the repudiation of this Administration by the voters. Such an intention is amazing to me.

The Trade Agreements Program in its present form is a lame-duck policy. The attempt to use the authority of the Trade Agreements Act, previously wrested from a Democratic Congress, to destroy our system of tariff protection, seems to me a direct affront to the popular will expressed last month.

The list of products on which tariff reductions may be made during these negotiations covers 56 pages, and appears to include at least three fourths of our total import trade. On the list are dozens of items in which the people of my state are vitally interested. Among them are cattle, hogs, and meat; cheese, butter, and other dairy products; wheat, and other grains; wool; and a long list of fruits and vegetables. In a tremendous number of cases, tariff reductions of 40 or 50 percent have already been made in the past 12 years. Apparently you propose to further reduce the rates even on these items by some substantial amount, up to 50 percent of what protection is left.

Reductions already made under the Trade Agreements Program have reduced the protection to approximately half of our producers benefited by tariffs, and such reductions have averaged 30 to 40 percent. In other words, your program to date has constituted a substantial revision of our system of protection, as far-reaching as was the Tariff Act of 1930. The announcement of the new proposed treaties leads me to believe that a second sweeping downward revision of our tariff system is planned.

My views are in accord with the ostensible program of the Trade Agreements Act, that our foreign trade should be expanded by securing advantageous concessions from foreign nations, without doing substantial injury to domestic agriculture and industry. The conduct of the program to date, however, has not been in accord with this pretended goal. On the contrary, it appears that the program is being used as a cloak in an attempt to commit this country to a policy of very low tariffs. On the other hand, supposedly valuable concessions secured from foreign countries have been nullified by blocked exchanges, "pool-buying", and various other devices. There is nothing to indicate that renewed negotiation on the present basis will reverse this trend.

It is for these reasons that I protest your apparent decision to continue with this program, when the American people have just spoken so emphatically in the reverse direction. Coopera-

¹ BULLETIN of Nov. 17, 1946, p. 907. The Acting Secretary of State on November 9 issued formal notice of intention to conduct trade-agreement negotiations with Australia, Belgium, Brazil, Canada, Chile, China, Cuba, Czechoslovakia, France, India, Lebanon (Siro-Lebanese Customs Union), Luxembourg, Netherlands, New Zealand, Norway, Union of South Africa, Union of Soviet Socialist Republics, the United Kingdom, and the areas for which these countries have authority to negotiate. Invitations to most of these nations were announced in December 1945. The negotiations will probably begin in April 1947.

tion between the Democratic Administration and the Republican Congress in the interests of the national welfare will be difficult at best. A determination on your part to proceed with this program, in defiance of the wishes of the people, will make it almost impossible.

Your comments on any changes in your plans with respect to this program, in view of the change in the control of Congress, will be awaited with interest.

Yours very truly,

HUGH BUTLER

January 16, 1947.

MY DEAR SENATOR BUTLER:

In your letter of December 19, which was acknowledged by my secretary during my absence from the city, you urge that negotiations under the Reciprocal Trade Agreements Act be suspended. You advance four arguments in support of this request. First, you contend that the trade agreements program was repudiated by the voters in the November election and that its continuation would be "a direct affront to the popular will". Second, you refer to the "pretended goal" of this "ostensible program" and suggest that the concessions obtained in past negotiations have been valueless. Third, you complain that the list of products under consideration in connection with the pending negotiations is long. Fourth, you conclude that the administration intends "to destroy our system of tariff protection".

On none of these points do I find it possible to agree.

First, there is no evidence to support your contention that the trade agreements program was repudiated by the voters in the November election. Certainly, it would have been impossible for any voter to suppose that this program was an issue in the campaign. The American people had been repeatedly assured that there was no partisanship in foreign policy; that politics stopped at the water's edge. The Trade Agreements Act, first passed in 1934, had been renewed four times, each time with a substantial number of Republican votes. On the last renewal, which involved an increase in the authority of the President to negotiate agreements, the Republican vote in the Senate had been practically a tie: 15 for and 16 against. The three last Republican candidates for

the Presidency—Mr. Landon, Mr. Willkie and Mr. Dewey—had each explicitly endorsed the principle of tariff reductions through reciprocal agreements. You may recall that this principle had been advanced, many years before, by President McKinley, President Theodore Roosevelt and President Taft.

It is not without significance that the Reciprocal Trade Agreements Act was not raised as a national issue in the campaign. Before the last renewal in 1945, the extension of the law with increased power was specifically supported and vigorously urged by leading organizations representing American business, farm and labor groups. This program has always had, and it continues to have, a broad basis of popular support. Any party that sought to destroy it would tar itself with the brush of economic isolationism and it is well known that isolationism is a liability rather than an asset in contemporary politics.

Second, I shall not comment on your use of the words "pretended" and "ostensible" in discussing the administration of the Trade Agreements Act. I should like, however, to call your attention to one indisputable fact. Between 1934-35 and 1938-39 our imports from countries with which we did not have trade agreements increased 12½ percent; our imports from countries with which we did have trade agreements increased 22 percent. In the same period our exports to countries with which we did not have trade agreements increased 32 percent; our exports to countries with which we had trade agreements increased 63 percent. It seems to me that this disposes of your contention that the concessions obtained through trade agreement negotiations have been valueless to the United States.

Third, it is true that the list of products on which tariff concessions are now being considered is a long one. This list was issued for the purpose of assembling information on these products and in order to give all interested parties a full opportunity to present their views. But it should not be inferred that the tariff on all of these products will be reduced or that the tariff on any particular product will be reduced by the full amount permitted by the law. It should be noted, moreover, that the countries with which we are planning to negotiate represent not only a substantial percentage of our imports but also a substantial percentage of our exports and that the list of products on

which we plan to seek concessions from other countries will be quite as long and as important as the list on which we would consider making concessions in return.

It should not be overlooked that the projected negotiations are but one part of a larger program of international economic cooperation which stems from the Atlantic Charter and includes our participation in the Economic and Social Council, the International Monetary Fund and the Bank for Reconstruction and Development, the Food and Agriculture Organization, and other agencies which both parties in Congress have already approved by overwhelming votes.

These negotiations are a necessary prerequisite to the establishment of the International Trade Organization proposed by the United States and this Organization in turn is essential to the whole structure of international cooperation in economic and political affairs. The trade negotiations and the ITO are part and parcel of a program that is designed to promote the prosperity of the United States by obtaining international agreements which will commit the other countries of the world against closing their markets to our goods. It is also designed to promote the peace by substituting consultation and cooperation for aggression and conflict in international economic relations.

Fourth, the Administration has never sought "to destroy our system of tariff protection". It does not seek to do so now. Changes in tariffs have been made only after thorough investigation and full hearings. During four successive renewals of the Trade Agreements Act, both houses of Congress have built up a voluminous record that covers, in detail, every criticism that has been raised concerning the operation of the Act. If you will examine this record you will find that particular groups have expressed their fears concerning what might happen to them at some future time. But you will find no demonstration that these fears have ever been justified. If any industry in the United States has suffered serious injury as a result of the operation of the trade agreements program, the record does not disclose it. In the absence of any such evidence you will understand why it is difficult for me to give weight to the vague fears of groups who have never been hurt and who, I am confident, will never be hurt by the operation of this Act.

I am glad to learn that you believe that "our

foreign trade should be expanded by securing advantageous concessions from foreign nations without doing substantial injury to domestic agriculture and industry". This is the way in which the Trade Agreements Act has been administered in the past. This is the way in which it will be administered in the months to come.

As you know, President Truman assured Speaker Rayburn, at the time when the Trade Agreements Act was extended in 1945, that no action would be taken during his administration which would result in grave injury to any essential American industry or agricultural activity. Moreover, the Department of State has announced that all future trade agreements will contain an escape clause similar to that contained in the agreement with Mexico which will permit the President to take appropriate action to protect any industry or agricultural activity which is seriously threatened by the operation of such agreements.

Far from intending "to destroy our system of tariff protection", our Government is entering into the projected trade negotiations for the purpose of insuring that tariffs, rather than discriminatory import quotas, exchange controls, and bilateral barter deals, shall be the accepted method by which nations regulate their foreign trade. If it were not for the initiative which our Government has taken in this matter, the world would be headed straight toward the deliberate strangulation of its commerce through the imposition of detailed administrative controls. I need hardly tell you that such a development would be seriously prejudicial to the essential interests of the United States. Through a judicious exercise of the bargaining power which the Trade Agreements Act has placed in our hands, I am confident that we shall be able to reverse this trend. Without that power, there is little hope that we should be able to do so.

We are fighting for the preservation of the sort of a world in which Americans want to live—a world which holds out some promise for the future of private enterprise, of economic freedom, of rising standards of living, of international cooperation, of security and peace. The trade agreements program is an instrument whose aid we need if we are to achieve these ends.

Very truly yours,

W. L. CLAYTON

Reply From U.S.S.R. to U.S. Note on Polish Elections

[Released to the press January 16]

Translation of substance of Soviet note on Polish elections. The note, dated January 13, 1947 and signed by Foreign Minister Molotov, was delivered to the American Embassy at Moscow on January 14, 1947

In connection with your note of January 5, 1947, regarding the impending elections in Poland, I consider it necessary to inform you of the following:

The Soviet Government cannot agree with the accusations contained in the note under reference against the Polish Provisional Government of National Unity of violating the obligations imposed on it by the decisions of the Yalta and Berlin conferences envisaging the holding in Poland of free and unfettered elections on the basis of universal suffrage, by secret ballot, in which all democratic and anti-Nazi parties will have the right to take part and put forward candidates.

The Government of the United States of America advancing in its note of January 5,¹ a series of accusations against the Polish Government, states that the basis therefor are reports coming to the American Government, and makes reference to the sole source of the information received — to the communication of the Vice Premier of the Polish Government, S. Mikolajczyk, who transmitted to the American Ambassador in Warsaw reports of the above character, which the American Government considered possible to reproduce in its note.

In the note are repeated the accusations against the Polish Provisional Government contained in Mikolajczyk's statement of repressive measures directed against certain members of the party he represents. In this connection, however, there are completely ignored widely known facts concerning the participation of certain of the members of Mikolajczyk's party in the activities of underground organizations, who resort to every kind of threat, to violence, and to murder in order to

interfere with the normal conduct of the electoral campaign for the Sejm.

Among other things, numerous facts are known concerning bandit attacks on electoral districts, terrorization of electors with threats in respect of adherents of the government and of the democratic bloc and even a whole series of murders of members of the electoral commissions.

In this situation, the Polish Government cannot remain indifferent and not undertake decisive measures with respect to the criminal elements who are endeavoring to disrupt the free and unfettered elections for the Sejm, even though certain members of Mikolajczyk's party should be guilty in this.

As is known, Poland suffered grievous years of German occupation, the consequences of which are still apparent at the present time both in the difficult economic conditions as well as in the difficulties in overcoming the remnants of the banditry generated in the period of occupation of Polish territory by German troops.

It is impossible also to ignore the criminal activities of fascist emigre circles endeavoring to base themselves on their underground organizations in Poland, particularly, having in view the connection of these underground organizations with the bandit elements who avail themselves of every kind of violence, even of murder of representatives of the Polish authorities and leaders of the democratic parties. In these circumstances the Polish Government would not be fulfilling its duty to the people if it did not take measures against these criminal elements to assure the conditions necessary for the holding of free democratic elections. To interfere with the carrying out of such measures would be inadmissible particularly on the part of foreign governments.

In view of the foregoing, the Soviet Government does not perceive any basis for the taking of any such steps, as the Government of the United States of America proposes, with respect to the Polish Government in connection with the impending elections in Poland and thereby in this fashion bringing about interference in the internal affairs of Poland on the part of the powers who signed the Yalta and Berlin agreements.

¹ BULLETIN of Jan. 19, 1947, p. 134.

Exchange of Views With Italian Prime Minister on Italy's Needs

[Released to the press January 15]

The Prime Minister of Italy, His Excellency Alcide de Gasperi, was the guest of the United States Government in Washington from January 5 to January 9. Following visits to Chicago, Cleveland, and New York, he returned to Washington on January 14 and left for Italy on January 15. During his visit the Italian Prime Minister met with the President, the Secretary of State, the Secretaries of Treasury, Agriculture, and Commerce, and other high officials to discuss questions of mutual interest to the Italian and United States Governments.

These conversations have afforded an opportunity for American officials to receive directly from the head of the Italian Government a detailed picture on the problems now facing the Italian people in their difficult task of rehabilitating their war-torn country. The Prime Minister has given a full account also of the very real progress that the new Italian Republic has made in this great work and in the restoration of democratic government in Italy. The exchange of views made possible by Signor de Gasperi's visit has emphasized, on the one hand, Italy's economic needs, including credits for the purchase of raw materials, and on the other, the determination and ability of the Italian Government and people to overcome their present difficulties and rebuild a stable and democratic Italy which will once again play an important role in a peaceful and prosperous world.

Signor de Gasperi was assured by this Government of its continuing concern for the early restoration of the Italian economy and of its desire to assist the Prime Minister's Government in its work of reconstruction. The American officials discussed with Signor de Gasperi a number of important measures being undertaken in this regard. It was found possible to make available to the Italian Government from the United States Treasury Department a second payment of \$50,000,000 covering services, supplies, and facilities obtained by United States forces in Italy. Arrangements were

also made for the use by the Italian Government of two transport vessels for the repatriation of prisoners of war and for Italian emigration. Furthermore, the Prime Minister was assured that favorable consideration would be given to the application of the Italian Government to purchase 50 additional surplus ships from the United States, although the specific types of ships requested may not be available in a few cases.

It was considered that the revival of trade between the two countries thus far was most encouraging, and agreement was reached that negotiations should begin as soon as possible for a new commercial treaty to replace the *modus vivendi* of 1937.¹ The Italian officials emphasized their agreement with the principles of the program for expansion of world trade through a reduction of trade barriers, and agreement was reached on the desirability of Italian participation in this program at the earliest possible opportunity.

It was further agreed that within the framework of the definitive peace settlements there should be a general settlement between the two Governments of financial and related problems arising out of the war. The United States Government indicated that, subject to mutually satisfactory agreement on this settlement, it would be prepared to waive claims for repayment for food and relief supplies furnished the Italian people through military channels prior to the period of UNRRA operations. Discussions will begin as soon as possible and will include reference to the question of the unblocking of Italian assets in the United States.

In the field of post-UNRRA relief, the Prime Minister was informed that Italy's needs will be included in the direct relief program soon to be submitted to the Congress. He was also assured that this Government has every expectation of increasing scheduled shipments of wheat to Italy beginning February 1; also, every effort will be made to maintain, and if possible to increase, shipments of coal, in order to meet the Italian essential requirements for these two important commodities.

¹ Executive Agreement Series 116.

War Damage Compensation for American Nationals in France

[Released to the press January 15]

American nationals who suffered damage to property in France on account of the war are accorded the benefits of French war-damage compensation legislation on a basis of equality with French nationals under article 7 of the agreement of May 28, 1946, between the United States and France on commercial policy and related matters.

The Department of State has received from the American Embassy at Paris information concerning the French offices where claims under the French laws are to be filed, the time limits for filing claims, the places where forms and information may be obtained, and the evidence required to prove the nationality of individual and corporate claimants.

The time limit for the filing of claims is May 1, 1947 for Americans residing in France and June 30, 1947 for Americans residing in the United States. Claims should be filed, for damage to property in Paris, with the Délégation Départementale du Ministère de la Reconstruction et de l'Urbanisme, 45 Avenue George V, Paris, and for damage to property outside of Paris, with the Délégation Départementale du Ministère de la Reconstruction et de l'Urbanisme at the prefecture in the Department in which the damage occurred.

The American Embassy at Paris and the French Embassy and French Consulates in the United States are supplied with forms and information necessary to enable American citizens to prepare their claims. A pamphlet of instructions and advice, issued by the French Ministry for Reconstruction and Urbanism, may be obtained from the Office of the Ministry at 28 Cours Albert 1er, Paris, and from its offices at the prefectures in the provinces. The Embassy and American Consulates in France and the Protection of American Property Section, Division of Foreign Service Administration, Department of State, in Washington will furnish the names and addresses of attorneys, both French and American, to claimants wishing to consult legal advisers before filing declarations.

Each American claimant will be required to present to the appropriate French office, in addition to other documents in support of his claim, an official statement certifying to his American na-

tionality. Such a statement may be obtained, upon the presentation of satisfactory evidence of nationality, by claimants residing in the United States from the Passport Division of the Department of State, and by claimants residing abroad from the nearest American Consul.

The required evidence of nationality will be the same as that necessary to obtain a passport. A claimant who has previously obtained a passport should indicate its date of issue and number and should state the periods and places of his residence abroad since the passport was issued. A claimant who has not previously been issued or included in an American passport should present evidence along the following lines. He should state the date and manner in which he acquired American citizenship and the periods and places of his foreign residence since he became a citizen. If he is native-born he should submit a certified copy of his birth certificate or, upon explaining why such a certificate is not obtainable, a baptismal certificate or the affidavits of persons having personal knowledge of his place and date of birth, setting forth the basis of the affiant's knowledge. If he is a naturalized citizen he should submit a certificate of naturalization. If he derives citizenship through the citizenship of a husband or parent he should present proof of the relationship and evidence sufficient to establish the citizenship of the husband or parent.

The Department is informed that corporations and associations are entitled to make claim if a majority of the shares represented at general meetings of the corporation or association which were held immediately prior to September 1, 1939, and also immediately prior to the date of the casualty, were owned by American nationals or by French and American nationals. All juristic persons, including partnerships, will be required to furnish a list of the managers, directors, partners, or associates, proof of their nationality, and the number of shares held by each of them as of September 1, 1939, and at the time of the casualty. Stock companies are required to submit a copy of the articles of incorporation, of the power given to the representatives of the company, and the original or certified copies of the lists of persons who attended the last general meetings held before the two dates referred to above, with indication of the nationality of the holders present or represented and of the number of shares held by each.

Crown Prince of Saudi Arabia Visits U.S.

His Royal Highness Amir Saud, Crown Prince of Saudi Arabia, arrived in Washington on January 13 and remained at the Blair House until January 18 as a guest of the Government. His Highness was accompanied by His Excellency Sheikh Fuad Hamza, with rank of Ambassador; Sheikh Suleiman Hamid al-Suleiman, with rank of Minister; Sheikh Ali Abdullah Alireza, with rank of Counselor of Legation; Sheikh Fahad Bin Kureidis, with rank of Counselor of Legation; Dr. Adib Intabi, with rank of Counselor of Legation; and Major Mohamed Al-Nimlah, aide-de-camp to the Crown Prince. The itinerary of the party includes visits to New York City, Kansas City, Houston, Phoenix, Pasadena and Los Angeles, San Francisco, Salt Lake City, Denver, Chicago, and Detroit.

Advance Copies of Peace Treaties Released

[Released to the press by the Council of Foreign Ministers January 17]

The Secretary General of the Council of Foreign Ministers released on January 17 advance copies of the treaties of peace with Italy, Bulgaria, Finland, Hungary, and Rumania, which are scheduled to be signed at Paris on February 10, 1947.

These are duplicates of those which were delivered on January 16 to the representatives at Washington of the powers signatory to each of the treaties.

It is by decision of the Council itself that the texts of the five treaties are being released for publication the day following delivery of copies to the diplomatic representatives at Washington.

The Problem of the Turkish Straits—Continued from page 151

and the British Government was convinced that if this ceased, "a new atmosphere would be created which would enable the matter to be dealt with on a much better footing".

There was a similar note in the address of President İnönü to the Turkish Grand National Assembly on November 1, 1946²⁴ in which the question of security was listed as the first among Turkish problems. President İnönü desired to see the war followed by a general settlement among nations, and noted especially the fact that Turkey was now faced with the question of a revision of the Montreux Convention of the Straits. In particular, President İnönü declared:

"We agree that it is necessary to improve the Montreux Convention in a manner conforming to new conditions, in keeping with the methods and within the limits clearly foreseen by Montreux. We are considering with good-will that the Convention in question should become the subject of conversations at an international conference. We shall welcome wholeheartedly any modifications which take into consideration the legitimate interests of each of the interested parties on the basis of ensuring the territorial integrity and sovereign rights of Turkey. We are convinced with a perfectly clear conscience that, during the

second world war, the Montreux Convention was applied by us with the greatest attention; and the allegation to the effect that the Montreux Convention was applied with a bias in favor of the Axis Powers is manifestly unjust. We have nothing to fear from submitting our actions to examination and decision by arbitration. Inasmuch as concerns the question of the Straits, too, we perceive in the United Nations Charter every possible guarantee for ourselves and for every other nation concerned. So long as the clauses of the United Nations Charter concerning territorial integrity and sovereign rights are respected, no obstacle should exist to prevent the adjustment and improvement of relations between ourselves and the Soviet Union. It is our well-considered and sincere desire to have friendly and confidence-inspiring relations with the Soviet Union, as befits two neighbors."

²⁴ Turkish Embassy, Washington, *Press Release*, no. 13, Nov. 13, 1946. See also the more general remarks of Ambassador Huseyin R. Baydur in the United Nations General Assembly on Oct. 26, 1946 in which he indicated that "Arms and military might are powerful weapons, but the force of world opinion is far more potent. It may be defied for a time, but it cannot be flaunted always and forever." (*Journal of the United Nations*, no. 16, p. 89.)

Proposals for Reopening Joint Commission

EXCHANGE OF LETTERS BETWEEN LIEUTENANT GENERAL JOHN R. HODGE AND GUARD COLONEL GENERAL CHISTIAKOV

[Released to the press January 10]

Lt. Gen. John R. Hodge, Commanding General, United States Army Forces in South Korea, announced today a new exchange of letters between him and Guard Colonel General Chistiakov, Commanding the Soviet Forces in North Korea, concerning the reopening of the Joint Commission.

Contents of a previous exchange of a Soviet letter dated October 26 and a United States letter dated November 1, were made public in Korea early in November. The last exchange of letters was the Soviet Commander's letter dated November 26, answered by the United States Commander on December 24.

The Soviet letter of November 26 proposed reopening the Joint Commission based on conditions of consultation with Korean groups. The proposals are:

1. The Joint Commission must consult with those democratic parties and organizations which uphold fully the Moscow Decision on Korea.

2. Parties or social organizations invited for consultation with the Joint Commission must not nominate for consultation those representatives who have compromised themselves by actively voicing opposition to the Moscow Decision.

3. Parties and social organizations invited for consultation with the Joint Commission must not and will not voice opposition nor will they incite others to voice opposition to the Moscow Decision and the work of the Joint Commission. If such be the case such parties and social organizations, by mutual agreement of both delegations, will be excluded from further consultations with the Joint Commission.

The United States answer of December 24 follows the announced policy of the American Commander and proposed modification of the suggested conditions to give greater freedom of expression to the Korean people concerning the formation of their provisional government. This was summarized as follows:

Proposal Number 1. To be interpreted as follows: Signing the Declaration in communique

number 5 will be accepted as a declaration of good faith with respect to upholding fully the Moscow Decision and will make the signatory party or organization eligible for initial consultation.

Proposal Number 2. It is considered the right of a declarant party or organization to appoint the representative which it believes will best present to the Joint Commission its views on the implementation of the Moscow Decision. However, should such representative for good reason be believed to be antagonistic to the implementation of the Moscow Decision or to either of the Allied Powers, the Joint Commission may, after mutual agreement, require the declarant party to name a substitute spokesman.

Proposal Number 3. It is suggested that the proposal be reworded as follows: Individuals, parties and social organizations, shall not, after signing the declaration contained in communique number 5, foment or instigate active opposition to the work of the Joint Commission or to either of the Allied Powers or to the fulfilment of the Moscow Decision. Those individuals, parties and social organizations which after signing the declaration contained in communique number 5 do foment or instigate active opposition to the work of the Joint Commission or to either of the Allied Powers or to the fulfilment of the Moscow Decision shall be excluded from further consultation with the Joint Commission. The decision excluding such individuals, parties and social organizations shall be by agreement of the Joint Commission.

Full texts of the letters follow:

General Chistiakov to General Hodge

November 26, 1946.

I acknowledge the receipt of your letter dated November 1, 1946.

It is with regret that I have to conclude that the conditions upon which you propose to renew the negotiations of the Joint Soviet-American

Commission in substance do not differ from the position laid down in your previous letter, which, in the opinion of the Soviet delegation is in contradiction to the Moscow Decision on Korea.

Actually, you propose that the Joint Commission should consult with any person, political party or social organization which adheres to and aided by the declaration published in communique number 5, moreover, such persons, parties or social organizations must not and will not instigate or foment mass opposition to the work of the Joint Commission or the fulfillment of the Moscow Decision.

Thus, according to this formula, the Joint Commission must consult not only with democratic parties and social organizations which uphold the Moscow Decision, but also with those parties and organizations which are hostile to this Decision. Furthermore, these latter parties and organizations are even given an opportunity to continue these activities directly against the Moscow Decision with the exception that they should not instigate or foment mass opposition to the work of the Joint Commission or the fulfillment of the Moscow Decision.

The acceptance of such proposal would appear, rather as call to reactionary parties and groups not to retreat from their hostile position towards the Moscow Decision, but merely to curtail temporarily their activities directed against this Decision so that they may have an opportunity to take part in the consultations with the Joint Commission. I must remind you that it was precisely in such manner that these parties accepted your public announcement of April 27, 1946 which contained an analogous interpretation of the agreement embodied in communique number 5.

The result was that the parties and organizations which had voiced their opposition to the Moscow Decision agreed to sign the declaration, but on the very second day after the termination of the work of the Joint Commission, prominent leaders of these parties and organizations again returned to an active fight against the Moscow Decision and its supporters.

There is no doubt that participation by those elements in the consultations would be utilized by them with the aim of sabotaging the fulfillment of the Moscow Decision and would only facilitate their activities in that direction. I must again declare that if we are aiming at actual and com-

plete realization of the Moscow Decision on Korea, then, in the opinion of the Soviet delegation, it is impossible to consult on the question of methods of fulfilling this Decision with those persons, parties and organizations who voice opposition to the above mentioned Decision and who are aiming at sabotaging its fulfillment, whom, for tactical considerations, may for the period of consultation with the Joint Commission temporarily and in part limit their activities directed against the Moscow Decision in order that they may renew these activities in full force as soon as consultation with Joint Commission is terminated.

The foregoing in no way limits the freedom of Korean democratic parties, social organizations or individuals to express their position regarding the formation of the Korean Government or other questions connected with the realization of the Moscow Decision on Korea.

In my previous letter I have already directed your attention to the fact that the Soviet delegation has never made proposals directed against the freedom of individuals, parties or organizations to express anywhere their views on these questions and it is accordingly understood that any party or social organization as well as an individual Korean citizen can express similar views or present them to the Joint Commission.

Desiring to fulfill the Moscow Decision on Korea speedily and as definitely as possible, the Soviet side advances the following proposals as basis for the resumption of the work of the Joint Soviet-American Commission.

1. The Joint Commission must consult those democratic parties and organizations which uphold fully the Moscow Decision on Korea.

2. Parties or social organizations invited for consultation with the Joint Commission must not nominate for consultation those representatives who have compromised themselves by actively voicing opposition to the Moscow Decision.

3. Parties and social organizations invited for consultation with the Joint Commission must not and will not voice opposition nor will they incite others to voice opposition to the Moscow Decision and the work of the Joint Commission. If such be the case such parties and social organizations, by mutual agreement of both delegations, will be excluded from further consultations with the Joint Commission.

In the event you should agree to the foregoing

proposals the Soviet delegation is prepared, without delay, to arrive in Seoul for the resumption of the negotiations of the Joint Commission.

CHISTIAKOV

General Hodge to General Chistiakov

December 24, 1946.

I wish to acknowledge receipt of your letter of November 26, 1946.

I have had attached to this letter a copy of your letter of November 26, 1946 with paragraphs numbered to facilitate reference. (Paragraph numbers follow paragraphs of letter as passed by you.)

From a careful reading of Paragraphs II to VIII, both inclusive, the impression I receive is that the Soviet delegation believes that proposals previously submitted by the United States delegation appear to encourage "reactionary parties and groups" to continue hostile opposition to the Moscow Decision. I assure you that the United States delegation has no such intention and desires to cooperate with you in preventing such hostile opposition. Paragraphs IX and X of your letter guarantee on the part of the Soviet delegation complete freedom of expression to Korean political parties, social organizations and individuals "regarding the formation of the Korean Government and other questions connected with the realization of the Moscow Decision on Korea". The views expressed in these paragraphs are identical with the position assumed by the United States delegation.

The last three paragraphs of your letter numbered 1 to 3, although apparently in conflict with paragraphs IX and X nevertheless provide a basis for further discussion.

In view of the closeness of our position, I suggest that your proposals and the following modifications be made the basis for reconvening the Joint Commission.

Proposal number 1 to be interpreted as follows: Signing the Declaration in communique number 5 will be accepted as a declaration of good faith with respect to upholding fully the Moscow Decision and will make the signatory party or organization eligible for initial consultation.

Proposal number 2, I consider it the right of a declarant party or organization to appoint the representative which it believes will best present to the Joint Commission its views of the implementation of the Moscow Decision. However, should

such representative for good reason be believed to be antagonistic to the implementation of the Moscow Decision or to either of the Allied Powers, the Joint Commission may, after mutual agreement, require the declarant party to name a substitute spokesman.

Proposal number 3, it is suggested that it be reworded as follows: "Individuals, parties and social organizations invited for consultation with the Joint Commission shall not after signing the declaration contained in communique number 5 foment or instigate active opposition to the work of the Joint Commission or to either of the Allied Powers or the fulfillment of the Moscow Decision. Those individuals, parties and social organizations which after signing the declaration contained in communique number 5 do foment or instigate active opposition to the work of the Joint Commission or to either of the Allied Powers or to the fulfillment of the Moscow Decision shall be excluded from further consultation with the Joint Commission. The decision excluding such individuals, parties and social organizations shall be by agreement of the Joint Commission".

I trust that the basis proposed above will be acceptable to you and trust you will notify me so that I may make the necessary preliminary arrangements for reconvening the Joint Commission.

HODGE

Translation of a letter from Soviet Commander Chistiakov dated October 26, 1946

In your letter of August 1, 1946 concerning the resumption of the work of the Joint Soviet-American Commission, you, speaking of the intentions of the American delegation to resume the discussions of the Joint Commission, at the same time have advised the Soviet delegation to restudy its position.

In answer to this, I must declare that the Soviet delegation is guided in its work by the terms of the Moscow decision of the three Foreign Ministers on Korea and intends to steadfastly adhere to this decision.

I again assure you that the Soviet delegation is always ready to resume the work of the Joint Commission on the basis of strict fulfillment of the Moscow decision on Korea.

As far as the question of the discontinuing of the work of the Joint Commission is concerned,

as you will know it was the American delegation itself which after a time in the course of the discussions suggested that the work of the Joint Commission be suspended, and finally at its suggestion the work of the Commission was suspended May 5, 1946. In your letter you stated that "the exact fulfilment of the Moscow decision is and always has been the mission of the American delegation."

I must, however, note that during the work of the Joint Commission the American delegation did not, in fact, evidence such a readiness and many times even declared that it did not quite understand the Moscow decision on Korea.

Your assertion that the Soviet delegation allegedly interprets unilaterally the Moscow decision concerning the creation of a Provisional Korean Democratic Government and the consultation on the subject with Korean political parties and social organizations is unfounded.

In the decision on Korea reached by the Moscow Conference of the three Foreign Ministers, a series of measures were laid out which aim at the reestablishment of Korea as an independent state, the creation of conditions for the development of the country on democratic principles and the speedy liquidation of the ruinous after-effects of long Japanese domination in Korea. Therefore, the Soviet delegation, being guided by the aims and spirit of the Moscow decision, deems that it would not be right to consult on the question of methods of fulfilling the Moscow decision with those parties and those, who for tactical considerations, although declaring their support of the decision, at the same time make such stipulations which convert their statement of support of the Moscow decision into an empty declaration.

In regard to that part of your letter concerning the definition of the word *democratic*, the Soviet delegation would like to point out that in this question it is necessary to consider not the declarative announcements of the party, and not the names of separate parties and organizations, but the actual policies pursued by a given party.

In as much as the Moscow decision has outlined the necessary measures for the democratic reconstruction of Korea, it is the opinion of the Soviet delegation that the attitude of different parties and groups toward the Moscow decision is the most important criterion of their true democratic nature and of their striving to see Korea a democratic state.

Thus, the position of the Soviet delegation on the question of consultation of the Joint Commission with the Korean democratic parties and organizations fully corresponds to the Moscow decision.

At the same time it is impossible not to note that there is an obvious contradiction between the interpretation in your letter of the word *democracy* and the actual position which the American delegation assumed during the period of the work of the Joint Commission.

It is well known that the American delegation has included in the list of political parties and organizations for consultation with the Joint Commission on the question of the creation of the provisional Korean democratic government, all political parties and organizations which had voiced their opposition against the Moscow decision and only three democratic parties which upheld the Moscow decision. It is completely obvious that the American delegation, when it excluded from participation in consultation with the Joint Commission such democratic parties and organizations of mass character as the Korean national revolutionary party, the all-Korean Confederation of Labor, the all-Korean Women's Union, the all-Korean Youth Union, the all-Korean Farmers Union and a number of other organizations, guided by other than their democratic principles.

As regards the freedom for the Koreans to express their position toward formation of the Korean Government or the realization of the Moscow decision on Korea, the Soviet delegation has never anywhere made proposals directed against the freedom of expression by the representatives of Korean parties and organizations, wherever they may be, and it is accordingly understood that any part or group as well as any individual Korean citizen can express similar ideas or present them to the Joint Commission.

I cannot agree with the interpretation set forth in your letter on the question of trusteeship because such an interpretation actually places in doubt the decision of the Moscow Conference on this question, as it is known the Moscow decision states: "it shall be the task of the Joint Commission with the participation of the Provisional Korean Government and of the Korean democratic organizations to also work out measures for helping and assisting (non-trusteeship) the political, economic, and social progress of the Korean

people, the development of democratic self-government and the establishment of the national independence of Korea."

Thus, among the tasks of the Joint Commission is included the preparation of proposals dealing with the establishment of a trusteeship in regard to Korea with the stipulation that these proposals relating to Korea for a period up to five years, will, after consultation with the Provisional Korean Government be submitted for joint consideration to the governments of the four powers.

From the above it is clear that the question of the establishment of the trusteeship as a measure which must aid in the democratic transformation of Korea has been definitely decided by the Moscow Conference and on this basis there must be prepared concrete proposals for the eventual working out of the agreement of trusteeship.

During the interruption in the work of the Joint Soviet-American Commission many events have occurred in South as well as in North Korea. All these events testify that the Korean people are striving to unite their country, to have a democratic government and to carry out their democratic transformation.

It is the opinion of the Soviet delegation that the delay in the formation of the Korean Provisional Democratic Government impedes the so necessary unification of Korea into a single state; it is having a negative effect on the economic and political situation of the Korean people and is holding back the realization of democratic transformation in all Korea.

The Soviet delegation is greatly concerned that the negotiations of the Joint Commission, interrupted on the initiative of the American Delegation in May 1946 have not yet been resumed and wishes to resume those negotiations as soon as possible on the basis of exact fulfilment of the Moscow decision.

If after taking this into account, along with the foregoing statement, you will express your consent to resume the work of the Joint Commission, the Soviet delegation will always be ready to resume the work.

Text of General Hodge's reply to Soviet Commander Chistiakov's letter of October 26

November 1, 1946.

DEAR GENERAL CHISTIAKOV:

I thank you for your letter of October 26, 1946, and agree with you that the continuation of the

division of Korea into two parts works great hardship on the Korean people. It also weakens the prestige of two great Allies who cooperated so fully to bring a victorious end to the bitterest war in history. Each added month of this division tends to make more difficult the implementation of the Moscow decision on Korea made by the Foreign Ministers of the Allies last December.

For the purposes of reconciling the differences between the United States and the U.S.S.R. delegations, which are not fully resolved in your letter, I propose that the following basis of agreement for reconvening the joint U.S. - U.S.S.R. Commission be accepted by both the Soviet and American delegations with view to the early resumption of the sessions of the Joint Commission. It is agreed to interpret paragraphs Two and Three of the declaration in communiqué no. 5 of the U.S. - U.S.S.R. Joint Commission dated April 17th, 1946, to mean that such individuals, parties and social organizations shall not foment or instigate mass opposition to the work of the Joint Commission or the fulfilment of the Moscow decision. Those individuals, parties, and social organizations which do foment or instigate such opposition shall be excluded from further consultation with the Joint Commission. The decision excluding such individuals, parties, and social organizations shall be by agreement of the Joint Commission.

In consideration of this interpretation of the declaration established in communiqué no. 5 of the Joint Commission, dated April 17th, 1946, both delegations agree that they will not oppose consultation with any individual, political party, or social organization which subscribes to and abides by the declaration published in joint communiqué no. 5.

In order to eliminate any possible future misunderstanding, I believe it is advisable briefly to restate the position of the United States at this time.

(A) The United States has always favored the exact fulfilment of the Moscow decision by the Joint Commission. This decision obviously includes the preparation of proposals "for the working out of an agreement concerning a Four Power trusteeship of Korea for a period of up to five years" which "shall be submitted for the joint consideration" of the Four Powers "following

consultation with the provisional Korean Government". However, there is nothing in the Moscow decision which predetermines the terms or nature of a Four Power trusteeship except that it shall be a method "for helping and assisting (trusteeship) the political, economic and social progress of the Korean people, the development of democratic self-government, and the establishment of the national independence of Korea" to be worked out "with the participation of the Provisional Korean Democratic Government," and a limitation placed upon its duration.

(B) The United States has always favored the exercise of freedom of speech in Korea. The United States believes that all Korean democratic parties and social organizations should be permitted to make known their desires in the formation of their own government. The representatives of the United States see a great difference

between (1) the instigation of mass opposition to the work of the Joint Commission and the fulfilment of the Moscow decision, and (2) the proper exercise of freedom of expression by Korean individuals, democratic parties, and groups concerning their wishes and desires in the formation of their own government.

On the basis of the United States' position herein stated and the suggested interpretation of paragraphs Two and Three of the declaration in communiqué no. 5 to the Joint Commission which is approved for the United States delegation, the American Command proposes that the Joint Commission resume its work without delay and I again cordially invite Soviet delegation to return to Seoul at an early date for the purpose of resuming negotiations. I shall be pleased to hear from you as early as possible in order that the necessary preliminary arrangements can be effected."

COMMUNIQUÉ ISSUED BY U.S.-SOVIET JOINT COMMISSION ON APRIL 18, 1946¹

The U.S. - Soviet Joint Commission continued discussion on the question of conditions of consultation with democratic parties and social organizations. Col. Gen. T. F. Shtikov, Chief of the Soviet Delegation, was chairman on sessions held on April 8, 9, 11, and 13, 1946, in the Tuk Soo Palace, Seoul, Korea, and Maj. Gen. A. V. Arnold, chief of the U.S. delegation, was chairman at the session, April 17, 1946.

As a result of a thorough investigation and analysis of the points of view of the Soviet delegation and the delegation of the United States, the Joint Commission reached the following decision on the first point of the joint program of work covering the conditions of the consultation with democratic parties and social organizations:

"DECISION

"The Joint Commission will consult with Korean democratic parties and social organizations which are truly democratic in their aims and methods and which will subscribe to the following declarations:

"We-----declare that we will uphold the aims of the Moscow Decision on Korea as stated in paragraph 1 of this decision, namely:

"The reestablishment of Korea as an independent state, the creation of conditions for developing the country on democratic principles, and the earliest possible liquidation of the disastrous results of the protracted Japanese domination in Korea. Further, we will abide by the decisions of the Joint Commission in its fulfilment of paragraph 2 of the Moscow decision in the formation of a Provisional Korean Democratic Government; further, we will cooperate with the Joint Commission in the working out by it with the participation of the Provisional Korean Democratic Government of proposals concerning measures foreseen by paragraph 3 of the Moscow decision.

"Signed-----

Representing the-----
Party or Organization"

The procedure for inviting representatives of Korean democratic parties and social organizations to consult with the Joint Commission is being worked out by Joint Sub-Commission No. 1. When details of the procedure are completed it will be announced publicly.

¹ Issued in Seoul over the signatures of Col. Gen. T. F. Shtikov and Maj. Gen. A. V. Arnold.

Convention With France on Double Taxation¹

THE PRESIDENT'S LETTER OF TRANSMITTAL

THE WHITE HOUSE, *January 10, 1947.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the convention between the United States of America and France, signed at Paris on October 18, 1946, for the avoidance of double taxation and the prevention of evasion in the case of taxes on estates and inheritances, and for the purpose of modifying and supplementing certain provisions of the convention between the two Governments

relating to income taxation signed at Paris on July 25, 1939.

I also transmit for the information of the Senate the report by the Secretary of State with respect to the convention.

The convention has the approval of the Department of State and the Treasury Department.

HARRY S. TRUMAN

(Enclosures: (1) Report of the Secretary of State; (2) convention of October 18, 1946, between the United States and France for the avoidance of double taxation.)²

REPORT OF THE SECRETARY OF STATE

DEPARTMENT OF STATE,
Washington, January 8, 1947.

The PRESIDENT,

The White House:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, the convention between the United States of America and France, signed at Paris on October 18, 1946, for the avoidance of double taxation and the prevention of evasion in the case of taxes on estates and inheritances, and for the purpose of modifying and supplementing certain provisions of the convention between the two Governments relating to income taxation signed at Paris on July 25, 1939.

The Department of State and the Treasury Department collaborated in the negotiation of the convention of October 18, 1946, which was formulated as a result of technical discussions between representatives of this Government and representatives of the French Government. A public announcement regarding the negotiations was made by the Department of State, the announcement referring also to the fact that attention was given to certain current questions concerning the

interpretation and administration of French taxes in their application to American nationals. The position of the French Government regarding such matters and regarding the application of certain provisions of the 1939 convention, pending the signature and coming into force of the proposed new convention, was made the subject of record in diplomatic notes, the texts of which were made public.

The new convention is in four parts, called titles. Title I (arts. 1 to 6) contains substantive provisions for the avoidance of double taxation with respect to the United States estate tax and the French tax on inheritances. As in the cases of the existing conventions on this subject with Canada and the United Kingdom, the convention with France extends in its application, insofar as the United States is concerned, only to estate taxes imposed by the Federal Government. The imposition and collection of inheritance or estate taxes by States or Territories of the United States or by the District of Columbia are not restricted by the convention. As to France, the convention is applicable to the tax on inheritances, which corresponds with the Federal estate tax in the United States.

Title II (art. 7) contains six lettered subparagraphs, each of which involves some modification or supplementation of provisions of the convention of July 25, 1939, now in force between the two countries, relating to income taxation.

¹ S. Exec. A, 80th Cong., 1st sess.

² Convention not printed.

Title III (arts. 8 to 15) contains provisions relating to mutual administrative assistance through the exchange of information and for the collection of taxes in certain cases, with a view to discouraging tax evasion. Pursuant to article 16, upon the coming into force of the convention, the provisions of title III would apply with respect to taxes on estates or inheritances and also with respect to income taxes, the corresponding provisions of the 1939 convention being for that purpose superseded and replaced.

Title IV (arts. 16 to 19) contains provisions relating to the procedure for bringing the convention into force and the procedure for terminating the convention.

The provisions relating to taxes on estates or inheritances are similar, in substantial respects, to provisions in the existing convention of June 8, 1944, between the United States and Canada and the existing convention of April 16, 1945, between the United States and the United Kingdom, relating to taxes on the estates of deceased persons. As in the case of the convention with Canada and the convention with the United Kingdom, double taxation is avoided principally by means of a credit. The country imposing the tax in the case of a deceased person who, at the time of death, was domiciled in that country (or was a citizen thereof if that country be the United States) allows a credit for the tax imposed by the other country with respect to property situated in such other country and included by both countries for the purpose of computing the tax. A further credit is provided in the event that each of the two countries determines that the decedent was domiciled in its territory at the time of death. Other important provisions in title I are those relating to rules of situs of property, exemptions, and a provision that the country which imposes the tax solely on the basis of property situated therein shall not take into account, for determining the amount or rate of tax, property situated outside its territory. As in the convention with the United Kingdom, but unlike the convention with Canada, title I of the new convention with France contains no provision for the exemption of real or immovable property situated outside the taxing country. However, under the laws of both the United States and France such property is now exempt from tax on the estate or inheritance. France also

exempts corporeal movables (tangible personal property) situated outside France.

The provisions of the convention which modify or supplement the 1939 convention with France are designed primarily to take into consideration certain changes in the laws or practices of one or the other of the two countries in regard to income taxation. Article 7, which constitutes title II of the convention, contains specific amendments to the 1939 convention, as set forth in six lettered subparagraphs, summarized as follows:

(a) The reference to the French national tax on undistributed profits as being among the taxes to which the 1939 convention relates is eliminated, inasmuch as that tax has been abolished.

(b) The first sentence is designed to embody in the convention with France the principle of article IX of the income-tax convention between the United States and the United Kingdom. The second sentence, whereby the term "royalties" shall be deemed to include rentals in respect to motion-picture films, is consistent with article VIII (3) of the convention between the United States and the United Kingdom.

(c) This amendment has the effect of making article 8 of the 1939 convention reciprocal and has its origin in the desire of the French Government to be free to subject to its schedular taxation its own nationals who are employed by the United States Government in France. Under the 1939 convention France waived taxation of such individuals, although the United States reserved its right to tax United States citizens employed by the French Government in the United States.

(d) The amendments here provided are designed to accomplish more adequately the object of avoidance from double taxation. Under the 1939 convention France, in effect, allows a credit against its securities tax for 12 percent of the amount of income from securities derived by taxpayers in France from United States sources. At the time of the conclusion of the 1939 convention the United States tax generally imposed was at the rate of 10 percent upon such income. Since that time the rate of such tax has increased to 30 percent in the case of nonresident aliens and even higher rates where the income exceeds \$15,400. Under these circumstances, the 12-percent credit allowed by France became inadequate to avoid double taxation. In recognition of this fact the French Government has agreed to raise the credit to 25 percent

of the income taxes, effective retroactively to January 1, 1945, with respect to the taxation of income acquired since that date on which the French tax has not been collected. The second part of subparagraph (d) would make applicable to aliens resident in France, including United States citizens, technical changes made in article 114 of the French Code on Direct Taxation. These changes do not involve any real departure with respect to the taxation of United States citizens in France. Like other aliens in the same situation, a United States citizen resident but not domiciled in France will continue to be taxed, insofar as the French general income tax is concerned, upon a sum equal to five times the rental value of the residence or residences maintained by such citizen in France. This basis is deemed to be as favorable to the taxpayer as can be reasonably expected.

(e) The new article 17A here set forth will have the effect of permitting American business in France a further opportunity to obtain the benefits which were accorded by article 17 of the 1939 convention.

(f) This amendment merely changes the designations of the respective officials of the two countries who shall be deemed to be the "competent authority" or "competent authorities" for the purpose of carrying out the provisions of the 1939 convention. In this respect the 1939 convention is made consistent with the corresponding provisions in tax conventions of the United States with other countries.

Title III, relating to administrative cooperation, corresponds with title II of the 1939 convention and supersedes that title II insofar as the provisions of title III of the new convention may be applicable to income taxation. This is designed primarily to achieve uniformity, as far as possible, in the provisions for administrative cooperation in respect of both estate taxation and income taxation. The provisions of title III are substantially similar to provisions on the same subject in the tax conventions which have entered into force recently between the United States and Canada and the United Kingdom. There are the usual safeguards that the provisions do not impose upon either country the obligation to carry out measures contrary to the regulations and practice of either country or to supply information not procurable under its legislation, as well as other safeguards found in corresponding provisions of other tax

conventions of the United States. The changes which are effected in relation to the 1939 convention are considered desirable in the interest of a more efficient fiscal cooperation between the revenue services of the two countries.

It is anticipated that in the course of consideration of the convention by the Senate the appropriate officials of the Treasury Department will be called upon to furnish, and will furnish, a more detailed statement with respect to the purpose and application of the substantive provisions of the convention, including those relating to exchange of information and assistance in collection.

Article 17 is similar to article XXII of the income-tax convention between the United States and the United Kingdom, in that it lays the basis for application of the convention to colonies, overseas territories, protectorates, or territories under mandate or trusteeship. Article 17 does not of itself extend the provisions of the convention to such colonies or other territories, but makes it possible, in the case of French colonies or other territories which have tax systems closely analogous to that existing in France, for the convention to be extended in its application without the necessity for entering into a separate convention covering each of the colonies or other territories. This, of course, will be possible only on the conditions specified in article 17. As pointed out in connection with the submission to the Senate of the income-tax convention with the United Kingdom, the United States revenue laws do not extend to overseas possessions, such as Puerto Rico. Such possessions will be free to elect, under article 17, to have the conventions with France extended in application to them, subject to the requirement for the giving of a notification to that effect by the United States Government to the French Government and the right of the latter to give notice that it does not accept such notification. Adequate provision is made also with respect to the termination of the convention as to any of the colonies or other territories to which it may have become applicable under article 17.

Article 18 provides for ratification and for the exchange of instruments of ratification and prescribes the effective dates of the convention. As to title I and other provisions of the convention applicable with respect to taxes on estates and inheritances, the convention will enter into force on the day of the exchange of instruments of rati-

fication and shall be applicable solely to estates or inheritances in the case of persons who die on or after that date. As to title II and other provisions of the convention applicable with respect to taxes on income, the convention will (except as otherwise provided for special purposes, as in arts. 7 and 17) enter into force on the first day of January following the exchange of instruments of ratification.

It is provided in article 19 that the Convention shall remain in force for a minimum period of 5 years, but may be terminated by the giving of written notice by one of the contracting countries to the other contracting country, according to the procedure and with the effect specified in that article.

Respectfully submitted.

JAMES F. BYRNES

(Enclosure: Convention of October 18, 1946, between the United States and France for the avoidance of double taxation.¹)

Smallpox Vaccination Certificate Required of Persons on U.S. Vessels Entering Philippine Ports

[Released to the press January 15]

Information has been received from the Republic of the Philippines that officers, crew members, and passengers of all vessels clearing from United States ports for the Philippines are required to present a satisfactory certificate of recent smallpox vaccination. A satisfactory certificate of vaccination means evidence of successful vaccination or evidence of immune reaction not more than one year prior to the actual date of presentation of the certificate. Vaccination certificates will be accepted if issued by the United States Public Health Service, medical officers of the United States armed forces, or other Government agencies. Vaccination certificates issued by private physicians are also acceptable when signed on the professional stationery of the physician.

The above-mentioned regulation will be effective on and after January 24, 1947.

George C. Marshall Takes Oath of Office as Secretary of State

On January 21 George C. Marshall took the oath of office as Secretary of State. The oath was administered at the White House, in the presence of the President, by the Chief Justice of the Supreme Court, Fred M. Vinson.

UNRRA COUNCIL—Continued from page 160

Continued Encouragement of Repatriation

The Soviet delegate, supported by the Polish delegate, expressed dissatisfaction with the progress of repatriation and called for renewed efforts to persuade displaced persons to return to their homelands. The United States representative said that he was convinced by protests now coming in from various organizations in this country "against the fact that repatriation is being so strongly emphasized". The contrary protest was by the Soviet delegate to the effect that the military authorities and UNRRA are doing a just and competent job of encouraging without forcing repatriation. There was little debate, and the Council adopted Resolution 122, which merely called for a report by the Administration to the Central Committee on the measures taken to encourage repatriation.

Resignation of Mr. La Guardia

Director General La Guardia tendered his resignation, to become effective as of December 31, 1946, that being the end of the period which he and the Council had had in mind when he was elected in March 1946. The Council accepted his resignation with expressions of regret and commendation and elected General Lowell W. Rooks as his successor. General Rooks had been appointed Deputy Director General in January 1946 by Herbert H. Lehman and had continued to hold that position under Mr. La Guardia. His principal tasks will be to complete the shipment of UNRRA supplies and liquidate the Administration.

The Minutes of the Council of Heads of Delegations

Review by James S. Beddie of Volumes VII, VIII, and IX of "Papers Relating to the Foreign Relations of the United States, The Paris Peace Conference, 1919"

The Department of State has just released the last of three volumes containing the minutes of the Council of Heads of Delegations at the Paris Peace Conference of 1919.¹

The Council of Heads of Delegations is the designation given to the Supreme Council of the Peace Conference in the form it assumed after the signing of the Treaty of Versailles with Germany on June 28, 1919 and the return home of President Wilson and Prime Minister Lloyd George. The Supreme Council in the earlier days of the Peace Conference had taken the forms of the Council of Ten and the Council of Four. Following the departure from Paris of President Wilson and Lloyd George their places were taken by the Heads of the American and British Delegations. Secretary of State Robert Lansing represented the United States until his own return home on July 12. He was succeeded for a few sessions by Henry White and later by Under Secretary of State Frank L. Polk. Arthur Balfour and later Sir Eyre Crowe usually represented Great Britain. Mr. Clemenceau continued as Head of the French Delegation, though M. Pichon often replaced him at the sessions of the Council. Italy and Japan were also represented on the Council. The sessions were usually held in M. Pichon's room at the Quai d'Orsay, some 115 meetings taking place up to the departure from Paris on December 9, 1919 of the American Commission to Negotiate Peace.

Though the decisions reached by the Heads of Delegations were to be final, the absence of President Wilson and Lloyd George, and the necessity of frequently consulting the home governments left the Heads of Delegations with much less weight of authority than had been exercised by the earlier Council of Ten or Council of Four.

It was determined at the first session of the Heads of Delegations that their meetings should be a council of five, with but one delegate representing each country, rather than two, although Mr. Lansing would have preferred the latter arrangement on the pattern of the earlier sessions of the Conference, which he had attended as a member of the Council of Ten. In practice there were frequently a number of experts of each nationality present at the sessions in addition to the delegates. Mr. Lansing also spoke strongly in favor of having enough secretaries present to make a full and agreed record of what took place. The inadequacy of the records of the early sessions of the Council of Four had been one of Mr. Lansing's objections to the procedure of that body. As a result there were usually present secretaries representing each of the national delegations, as well as representatives of the joint secretariat. Professor P. J. Mantoux continued to act as interpreter.

As a result the sessions were well documented. The minutes published in these volumes were prepared by the joint secretariat and were then duplicated and distributed to the national delegations.

No communiques regarding the proceedings of the Council were issued to the press. At the meeting of July 2, Mr. Lansing proposed that such communiques be issued. He was opposed by Mr. Balfour on the ground that the Council was the lawful heir of the Council of Four which had issued no communique, although Mr. Balfour said that "if the communique was so judiciously framed as to contain no information", he was indifferent. After further discussion it was decided that communiques should not be issued.

The second half of the Peace Conference of 1919, due to the absence of the great leaders from the sessions and the completion of the treaty with Ger-

¹ Vol. VII was released on May 19, 1946.

many, does not possess the same dramatic interest as the earlier period. Possibly, as a result, not nearly so much has been published on this portion of the Conference and a much smaller proportion of the Conference records from this period have become public. Most of the material contained in these three volumes of minutes is, accordingly, being now made public for the first time.

While by July 1, 1919 the treaty with Germany had been signed, the treaty with Austria was only partially completed, and discussion of treaties with Hungary, Bulgaria, and Turkey had scarcely begun. The other treaties comprising the peace settlement, including several of the minorities treaties, had still to be completed. Steps had to be taken for carrying out the provisions of the Treaty of Versailles and the political and economic problems arising at the time in war-torn Europe and the Near East had to be faced. All of these tasks confronted the Heads of Delegations.

Among the subjects receiving particular attention at the meetings of the Heads of Delegations were the following: the Adriatic question; the determination of Austrian frontiers; the Allied objection to reference to Austria in the new German constitution; the activities of the Bolshevik Government in Hungary; the troubled relations between Rumania and Hungary; the drafting of the treaty with Bulgaria; unsettled conditions in the Baltic provinces; the sad plight of Armenia; the establishment of commissions of control in Germany and other measures necessary to put the Treaty of Versailles into force; disputed frontiers in many parts of Europe, including Thrace, Dobrudja, Teschen, Upper Silesia, Galicia, and elsewhere, with preparations for plebiscites in some of these areas; and the question of the convocation of the League of Nations.

In their efforts to settle these questions the members of the Council frequently were hampered not only by the natural difficulties of post-war confusion, but by stubbornness and recalcitrance on the part of both former enemy and Allied states. The minutes contain many expressions of exasperation on the part of the Heads of Delegations and their advisers at such obstacles and of em-

phasis on the necessity for a stronger stand on the part of the peacemakers. Thus, for example, in discussing the Hungarian situation in the meeting of August 21, 1919 Mr. Hoover remarked that—

“Eastern Europe was past the blandishments of polite suggestion. Human life in those parts had declined in value to an extent not realized in Paris. Very energetic action was required.”

At the middle of September 1919 Lloyd George made a brief visit to Paris and at the meeting of September 15 brought up the matter of the termination of the labors of the Peace Conference. He spoke of the difficulty of providing a British representative of the first rank for further sessions in Paris. The immediate termination of the Conference was opposed by Mr. Polk and M. Clemenceau and actually it was not found possible to wind up the Conference for some months more. The American Delegation in the ensuing period was hampered by uncertainties connected with the serious illness of President Wilson and the vicissitudes of the Versailles Treaty in the Senate. The last meeting at which the United States was officially represented was that of December 9, 1919, and the American Commission to Negotiate Peace left Paris the same day. The Heads of Delegations, with the United States represented only by an observer, Hugh Wallace, the American Ambassador to France, continued to hold sessions until January 10, 1920.

Also included in the volumes now released are the minutes of those sessions of the International Council of Premiers, held at London and Paris in December 1919 and January 1920, at which the United States was represented by an observer, and the minutes of the three meetings of the Council of Ministers of Foreign Affairs, held at Paris on January 10, 13 and 21, 1920, at two of which the United States had an observer. These bodies may also be considered as manifestations of the Supreme Council of the Peace Conference and it was at their sessions that the last obsequies over the Paris Peace Conference were performed. Business still left over was dealt with by the Conference of Ambassadors.

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Contributors

David Persinger, author of the article on the Sixth Council Session of UNRRA, is Secretary to the United States Delegation to UNRRA, Department of State.

Harry N. Howard, author of the article on the recent developments in the problem of the Turkish Straits, is Chief of the Near Eastern Branch of the Division of Research for Near East and Africa, Office of Near Eastern and African Affairs, Department of State.

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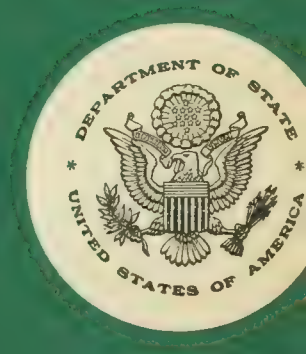
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PRELIMINARY PROPOSALS FOR AN INTERNATIONAL
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THIRD SESSION OF THE COUNCIL OF FOREIGN MINISTERS, NEW YORK CITY, NOVEMBER 4-DECEMBER 12¹

The writing of the peace treaties with Bulgaria, Finland, Hungary, Italy, and Rumania has been concluded by the Council of Foreign Ministers. The article presented below summarizes the Council's discussions in New York City, after previous sessions in London and in Paris, and reviews the plan for peace settlements with Germany and Austria which the Council of Foreign Ministers will consider at its next meeting in Moscow, to begin on March 10, 1947.

I. COMPLETION OF TEXTS OF TREATIES OF PEACE WITH ITALY, RUMANIA, BULGARIA, HUNGARY, AND FINLAND

The third session of the Council of Foreign Ministers which was held in New York City at the Waldorf-Astoria Hotel from November 4 to December 12, 1946, finally completed the texts of the treaties of peace with Italy, Rumania, Bulgaria, Hungary, and Finland. These texts have now been published and will be presented on February 10, 1947, for signature by the representatives of the states which participated in the Paris Peace Conference and which were at war with the enemy states in question. The United States was not at war with Finland and consequently will not be a party to the peace treaty with Finland. The treaties will enter into force immediately upon ratification by the Allied states signatories to the respective armistices and by France in the case of Italy.

Although it had been hoped that time would permit the Council of Foreign Ministers to draw up final texts of these treaties in Paris following the close of the Paris Peace Conference, this task proved to be impossible in view of the forthcoming meeting of the General Assembly of the United Nations in New York, which certain of the Foreign Ministers desired to attend in person. Secretary of State Byrnes therefore invited the Council of Foreign Ministers to meet in New York concur-

rently with the General Assembly in order to avoid any further delay in the completion of these five peace treaties. The purpose of this session of the Council of Foreign Ministers, which was the third devoted to the drafting of these peace treaties, was to consider the recommendations of the Paris Peace Conference and to endeavor to agree upon the final texts.

Secretary Byrnes had since the April-May meeting of the Council of Foreign Ministers urged the calling of the Paris Peace Conference, which met from July 29 until October 15, believing that all members of the United Nations who had participated actively in military operations against the European members of the Axis were entitled to be given a full opportunity to make known their views and to have those views taken into consideration. Furthermore, the members of the Council of Foreign Ministers had solemnly agreed to "give the fullest consideration" to and "not reject arbitrarily" the recommendations from this Conference. Secretary Byrnes had also pointed out on a number of occasions that the recommendations of this Conference should be of great assistance to the Council of Foreign Ministers in finding solutions to the issues on which they had been unable to agree.

¹This article will be printed as Department of State publication 2747, Conference Series 93.

The Paris Peace Conference, through long discussion both in the commissions and in plenary sessions, had given the fullest possible consideration to every aspect of the peace treaties and had adopted 59 recommendations by two-thirds majority and 48 recommendations by a simple majority. For the most part, these recommendations related to questions which the Council of Foreign Ministers, despite protracted negotiation and discussion, had left in disagreement or had not considered. Thus the third session of the Council of Foreign Ministers in considering those issues which had previously divided the Council and Conference had the advantage of formal recommendations on these and other issues by the 21 nations at the Paris Conference. These recommendations and especially those backed by two-thirds of the members of the Conference were a new factor in the work of the Council of Foreign Ministers and played a large if not determinant part in settling the still unsolved issues in these treaties. In effect the final texts of these treaties reveal that on the majority of issues final agreement was based upon the recommendations returned to the Council of Foreign Ministers by the Paris Conference.

This agreement was particularly evident in regard to the draft statute of the Free Territory of Trieste. Although the Council of Foreign Ministers last July had reached an agreement on the internationalization under the United Nations of this territory and on its proposed boundaries, no agreement had been reached by the special Commission on Trieste appointed by the Council of Foreign Ministers on the principles which were to govern the temporary regime and on the permanent statute for the area. Secretary Byrnes had made it clear that the United States, having agreed—contrary to its original position—to the internationalization of this area, was determined that the proposed Free Territory should be genuinely international in character and not a hotbed of friction and dispute between Italy and Yugoslavia. In view of the tension existing in the area and the rivalry between these two countries, the United States believed it to be essential that the representatives of the Security Council and the United Nations who were to assume responsibility for the integrity and security of this area must have adequate powers to discharge these responsibilities. As a neutral figure—representa-

tive of the United Nations as a whole—the proposed Governor for the Free Territory of Trieste would have no interest except to safeguard the security of the area and to promote the well-being and preserve the rights and freedoms of the inhabitants. The representatives of Great Britain and France had held similar views. The Soviet representative, however, had supported the claims of Yugoslavia to a special and privileged position in this territory and had opposed the granting to the Governor and to the United Nations what the United States regarded as absolutely essential powers for the maintenance of the international character and stability of the area. By a two-thirds vote the Paris Conference recommended the adoption of a French compromise proposal setting forth the principles for the organization of the Free Territory of Trieste, which were in basic accord with the views of the British and American Governments.

At the New York session of the Council of Foreign Ministers the principles for the permanent statute and provisional regime of the Free Territory of Trieste as recommended by the Conference were incorporated in a final draft after protracted negotiation. The statute as finally agreed upon has been incorporated as an annex to the peace treaty for Italy. If backed by an honest intention on the part of the states directly concerned to implement this statute as written, it provides the framework for the creation and maintenance of a genuine international regime for this troublesome and disputed area.

After agreement on the statute for the Free Territory of Trieste had been reached, the only other questions of importance still in dispute related to reparations, other economic clauses, and the question of freedom of navigation on the Danube River.

The reparation problem proved to be one of the most difficult. Marked difference in attitude existed between countries which had been devastated by one or another of these ex-enemy states and which therefore felt entitled to the maximum amounts possible, and between countries like the United States which felt that the most important thing was to build for a future in which the ex-enemy states would have some prospect of economic recovery. In the cases of Rumania, Hungary, and Finland, the reparation terms as set forth in their armistices provided for \$300,000,000

of commodities at 1938 prices. Although the United States argued at great length that these three countries were not identical in the degree of their aggression nor equal in their capacity to pay, this Government was unable to obtain any change in the established arrangements which had already been implemented by bilateral agreements. In the case of Bulgaria, where the reparation terms were not fixed in the armistice, the situation was reversed, the Soviet Union arguing for an extremely low reparation obligation. Actually, the figure of \$70,000,000 which was agreed on is not far out of line when compared with the obligation of Rumania, but it does throw into sharp contrast the burden of reparations placed on Hungary and Finland.

The problem of reparation is much simpler in the case of those four countries which were all net exporters than in the case of Italy. In order to find a practical means for payment by Italy, the formula previously agreed upon for Italian reparation to the Union of Soviet Socialist Republics—namely, that the reparation-receiving country must supply the required raw material—was utilized in connection with the other recipients. There were two particularly difficult problems; that of the relative treatment of Greece and Yugoslavia and that of whether Albania should be included at all. The first problem was resolved by giving Greece and Yugoslavia each the same total amount of \$150,000,000 from Bulgaria and Italy. The second problem was resolved by giving a smaller payment of \$5,000,000 to Albania.

It is also important to note that the commercial-policy provisions which this Government has urged from the very start are now incorporated in the treaties. These provisions establish, for a period of 18 months, an obligation on the part of the ex-enemy state not to discriminate among nations in matters pertaining to commerce and industry. This requirement is limited to 18 months in order to permit the concluding of commercial treaties. Furthermore, that period of time should determine whether international trade throughout the world will follow the liberal principles outlined in the American proposals for the expansion of world trade or whether various countries themselves will revert to discriminatory and restrictive trade regulation. A similar provision with respect to aviation rights,

including the first two freedoms of the air, is included in each treaty.

The question of including a clause expressing acceptance of the principle of free navigation on that great European waterway in the peace treaties with the ex-enemy states bordering on the Danube had been the subject of long dispute and acrimonious debate at previous sessions of the Council of Foreign Ministers, particularly at the Paris Peace Conference. In this case again the Conference had voted by a two-thirds majority for the inclusion in the appropriate treaties of some statement of the important principle of free navigation. It is gratifying to report that at the New York meeting the Soviet objections on this score were overcome, and the three Balkan treaties include the following statement of principle: "Navigation on the Danube shall be free and open for the nationals, vessels of commerce and goods of all States on the footing of equality with regard to port and navigation charges and conditions for merchant shipping." In order to reduce this general principle to specific operation, the Council of Foreign Ministers has agreed to call a conference within six months in which the United States, Great Britain, the Soviet Union, and France would participate, as well as the countries in the Danubian basin, for the purpose of establishing an international regime with respect to the Danube. The United States has very little direct interest in the Danube as such. The great concern of the United States has been to do all that it could to remove artificial barriers and discriminatory practices both from national trade regulations and specifically from this vital waterway in southeastern Europe.

Other economic articles which dealt with such problems as restitution, compensation for damages, ex-enemy property in the United Nations, and the reinstatement of debt obligations posed certain difficulties of one kind or another; however, it is believed that the interests of the United States have been safeguarded so far as possible under the circumstances.

After more than 15 months since the opening session of the Council of Foreign Ministers set up by the Potsdam Conference to draft (in the first instance) treaties of peace with Italy and the former satellite states, the final texts of these treaties have now been completed. It cannot be said that the treaties themselves are entirely satis-

factory, and, as Secretary Byrnes said in discussing the drafts presented to the Peace Conference, they are "not the best which human wit could devise", but they do represent the best which could be reached by unanimous agreement among the members of the Council of Foreign Ministers. When they enter into effect, despite their imperfections, they will be the first real step forward toward the return to normal peacetime conditions for these countries. They will bring to an end armistice regimes giving to the occupying power almost unlimited control over the national life of these countries, and they will, in some cases, mean the complete withdrawal of and, in others, major reduction in the occupying forces which, since the end of the war, have imposed such heavy burdens on their national economies. Finally, the treaties will permit Italy, Rumania, Bulgaria, Hungary, and Finland to reassume their responsibilities as sovereign states in international affairs and will afford them an opportunity to qualify for membership in the organization of the United Nations.

II. PRELIMINARY PLANS FOR PEACE SETTLEMENTS WITH GERMANY AND AUSTRIA

In addition to completing final texts of the five peace treaties the Council of Foreign Ministers as had been agreed in Paris devoted several meetings of its New York session to the German and Austrian questions. As early as May 1946 Secretary Byrnes had endeavored without success to obtain agreement for the setting up of special deputies to start the preliminary work for the eventual peace settlement with Germany and to prepare a draft settlement with Austria so that without undue delay the Council of Foreign Ministers could take up these two questions vital to the entire future of Europe. The Soviet Government in May and again in July had been unwilling to agree to these proposals and had maintained that further study was required before deputies could be appointed to begin actual work concerning either a future German settlement or an Austrian treaty. At the New York session, however, these objections were overcome and the following are the main points in the agenda adopted for the next meeting of the Council of Foreign Ministers to be held in Moscow on March 10, 1947:

1. Consideration of the report from the Allied Control Council;
2. Consideration of the form and scope of the provisional political organization of Germany;
3. Preparation of a peace treaty with Germany, taking into account the report to be received from the deputies and also including consideration of boundary questions, questions of the Ruhr and Rhineland, and others;
4. United States draft disarmament and demilitarization treaty and other measures for political, economic, and military control of Germany;
5. Consideration of the report already submitted by the Committee of Coal Experts; and
6. Consideration of the report of the deputies on the Austrian treaty.

The deputies appointed for discussion of German questions, who are now meeting in London, were instructed to: (a) hear the views of governments of neighboring Allied states and of other Allied states who participated with their armed forces in the common struggle against Germany and who wish to present their views on the German problem; (b) consider questions of procedure with regard to the preparation of a peace treaty for Germany; and (c) submit a report on the above matters to the Council of Foreign Ministers by February 25, 1947.

The deputies appointed for Austria were instructed to: (a) proceed with the preparation of a treaty recognizing the independence of Austria, taking into consideration the proposals already submitted by the Governments of the United States and the United Kingdom, as well as any further proposals which may be submitted by any member of the Council of Foreign Ministers; (b) hear the views of the governments of neighboring Allied states and of other Allied states who participated with their armed forces in the common struggle against Germany and who wish to present their views on the Austrian problem; and (c) submit proposals on the above matters to the Council of Foreign Ministers by February 25, 1947.

Thus, in addition to the completion of the five peace treaties which was its primary charge, the Council of Foreign Ministers at its third session in New York made the first real progress in the direction of the consideration of the even more important problems regarding the future of Germany and Austria.

PRELIMINARY PROPOSALS FOR AN INTERNATIONAL TRADE ORGANIZATION

The two articles presented below on employment and economic activity and on industrial development are the first in a series of articles on the work of the Preparatory Committee of the Economic and Social Council for the establishment of an international trade organization of the United Nations. The Preparatory Committee held its first meeting in London from October 15 to November 26, 1946. In successive issues of the BULLETIN will appear articles on commercial policy, restrictive business practices, intergovernmental commodity arrangements, and administration and organization.

Employment and Economic Activity¹

An Article

The initial decision to hold a conference dealing with both trade and employment reflects the close connection between the two subjects. It is clear that a two-way relationship is involved. No matter how satisfactory employment levels may be in the various countries, higher standards of living will not be obtained if barriers are allowed to block the flow of international trade. Conversely, in the face of serious unemployment in one or more of the major industrial and trading countries, a reduced level of trade barriers might fail to secure high standards of living or even a large volume of trade. For example, the fact that tariffs are low will not by itself prevent a decline in income and demand which communicates itself from country to country through international markets.

The United States draft charter² accordingly contained a chapter on employment provisions which in five articles recognized the relation of employment to the purposes of the International Trade Organization; pledged each Member to take action designed to achieve and maintain full employment within its own jurisdiction through measures appropriate to its political and economic institutions; stated that employment measures should not be of such a character as to create un-

employment in other countries or to conflict with trade objectives; provided for consultation and exchange of information on matters relating to employment; and assigned the relevant functions to the Economic and Social Council.

At the London meeting, Committee I was assigned the topic of employment and economic activity and adopted the following agenda: "International agreement relating to the achievement and maintenance of high and steadily rising levels of effective demand, employment, and economic activity. (1) General undertakings of Members. (2) Recourse in case a Member is damaged by failure of another Member to fulfil undertakings. (3) Consultation and exchange of information. (4) Assignment of functions."³ The final report on its work included a series of draft articles considerably broader in scope than the original United

¹ The work of Committee I: Employment and Economic Activity.

² *Suggested Charter for an International Trade Organization of the United Nations*, published in September 1946 (Department of State publication 2598, Commercial Policy Series 93).

³ Its agenda also included the following item: "International agreement relating to industrial development. (To be considered jointly with Committee II.)"

States draft but consistent in form and spirit with that document, together with a draft resolution for the attention of the Economic and Social Council.

Undertakings With Respect to Levels of Employment and Effective Demand

The central problem confronting Committee I involved the drafting of provisions that would contain an expression of policy as to the maintenance of employment levels and levels of effective demand; that would adequately recognize the possible need of Members to adopt protective measures if their economies should be threatened as a result of a serious decline in employment and effective demand beyond their borders; and that would at the same time support rather than conflict with the commercial-policy provisions of the charter.

The ends sought were agreed to be a high level of employment—already recognized in article 55 of the United Nations Charter to be a main purpose of the United Nations—and high and stable levels of effective demand for goods and services. The second of these conditions tends to create and also to follow from the first, but adequate demand may in certain circumstances nevertheless fail to be transmitted internationally by an economy in which employment levels are satisfactory.

It was recognized that Members could not *guarantee* high and stable levels of employment and demand, but it was agreed that they could and should undertake to “take action designed to achieve and maintain” these conditions within their respective jurisdictions. Each country would, of course, be expected to use measures “appropriate to their political and economic institutions”. To this was added the proviso that the measures adopted should be “compatible with the other purposes of the Organization”; i. e., in promoting employment, Members should not use methods that would be in violation of their commitments looking to the reduction of trade barriers and to the elimination of trade discriminations.

Particular attention was directed to the fact that a country might be maintaining employment, by measures in harmony with accepted principles of trade, and might nevertheless unwittingly contribute to or be the agent of balance-of-payments difficulties and consequent deflationary pressure experienced by other countries. This situation could occur if it were to sell considerably more

than it bought and invested abroad, making up the balance by accumulating monetary reserves. Conversely, it was recognized that responsibility for the maladjustment might also rest with the countries experiencing the balance-of-payments difficulties; such difficulties might, for example, be caused by a flight of capital from the currencies of those countries. In the light of these various considerations, it was the Committee’s belief that each country should agree “that in case of a fundamental disequilibrium in their balance of payments [terminology borrowed from the Articles of Agreement of the International Monetary Fund] involving other countries in persistent balance of payments difficulties which handicap them in maintaining employment, they will make their full contribution to action designed to correct the maladjustment”.

Discussion turned next to the recourse that Members might have if economic difficulties should be created for them as a result of inability on the part of other Members to maintain high and stable levels of employment and high levels of effective demand as intended. One view was that the chapter dealing with employment should grant any Member so affected a broad release from other obligations under the charter. It was noted, however, that other parts of the charter already carried provisions designed to meet such contingencies. For example, a Member experiencing balance-of-payments difficulties—the form in which deflationary pressure originating abroad would ordinarily become apparent — could protect itself by imposing restrictions, in accordance with rules and procedures set forth in the chapter on commercial policy, on the quantity of goods imported. It was therefore concluded that the problem was one of assuring that the relevant exceptions or releases from obligations provided elsewhere in the charter and the machinery established to bring those provisions into effect should be adequate to cover deflationary situations created by a failure of another Member to maintain its employment and its effective demand. This problem was regarded as the responsibility of other committees. Committee I, however, expressly stipulated that the Organization “shall have regard, in the exercise of its functions as defined in the other Articles of this Charter, to the need of Members to take action within the provisions of the Charter to safeguard their economies” in such situations.

Other Issues and Undertakings

Committee I dealt with five other significant issues and it reached conclusions on:⁴ (1) development of resources and productivity;⁵ (2) labor standards; (3) consultation and information; (4) international (as contrasted with Member government) action relating to employment; and (5) the form that the employment provisions should take—i.e., their precise relation to the charter of the International Trade Organization.

Without questioning the importance of maintaining high and stable levels of employment in the major industrial and trading countries, spokesmen for a number of relatively underdeveloped countries pointed out that the prosperity of their economies would depend less on their ability to keep everyone at work than on their ability to improve the quality and productiveness of the work done. The acquisition of a modern technology was thus regarded as their greatest need. The Committee recognized the validity of this point in two ways: by making clear throughout its report and recommendations that the objective is "productive" as well as quantitatively high-level employment, or, in other words, that "under-employment" should be avoided as well as "unemployment"; and by adding a new draft article in which, "recognizing that all countries have a common interest in the productive use of the world's resources", each Member would "agree to take action designed progressively to develop economic resources and to raise standards of productivity within their jurisdiction"—this action, again, to take the form of "measures compatible with the other purposes of the Organization".

The issue of labor standards was raised by a Member who pointed out that wage rates and other labor conditions not only affect the quality or suitability of employment and have an important bearing by way of the distribution of purchasing power upon the ability to maintain employment but also must be taken into account in connection with trade because of the possibility of unfair competition in export markets based on exploitation of labor. In the discussion of this question, full recognition was given to the general jurisdiction of the International Labor Organization in the labor-standards field. At the same time, a large majority favored adding to the employment provisions in the charter of the International Trade Organization an article in which,

"recognizing that all countries have a common interest in the maintenance of fair labor standards"—these standards being of necessity "related to national productivity"—each Member "agrees to take whatever action may be appropriate and feasible to eliminate substandard conditions of labor in production for export and generally throughout their jurisdiction". Two delegations reserved their votes when Committee I adopted this article.

With respect to the functions relating to employment to be performed by international bodies, provision was made for agreement by Members to participate in arrangements undertaken or sponsored by the Economic and Social Council, with mention also of cooperation on the part of the appropriate intergovernmental specialized agencies. It was decided that the information exchanged on domestic employment problems, trends, and policies should at least include "as far as possible information relating to national income, demand, and the balance of payments". Arrangements should furthermore be made to consult "with a view to concerted action on the part of governments and inter-governmental organizations in the field of employment policies".

It was agreed that the maintenance of effective demand and employment must depend primarily on measures that, although they may involve cooperation or parallel action on the part of various countries, are nevertheless of a domestic rather than an international character. The Committee felt, however, that the possibilities of international action in support of the same objectives should not be overlooked. A separate Draft Resolution on International Action Relating to Employment was therefore prepared, requesting the Economic and Social Council "to undertake at an early date, in consultation with the appropriate inter-governmental specialized agencies, special studies of the form which such international action might take". It was suggested that the Council, in addition to investigating the effects on employment and production of an expansion of trade through a lowering of trade barriers and progres-

⁴ With reservations entered in the case of labor standards, as noted below.

⁵ This subject was later discussed at length by the Joint Committee on Industrial Development, which drafted a new chapter for the charter. Cf. footnote 2 above.

sive elimination of discrimination, should include in its consideration measures relating to timing of capital expenditures and credit conditions, to stabilization of the incomes of primary producers, and to the support in periods of world deflationary pressure of the balance-of-payments position of countries pursuing domestic policies for full employment.

The final issue dealt with by Committee I concerned the form in which the agreement on employment should ultimately appear. The fact that employment functions were to be centered in the Economic and Social Council, and that consequently no separate commission to handle such functions was contemplated for the International

Trade Organization, raised a question of whether the employment provisions should not be embodied in some instrument partly or wholly separate from the Organization's charter. On the other hand, the important connections between employment and trade, and particularly the difficulty that countries might have in assuming international commitments in the one field unless such commitments were associated with obligations binding all signatories in the other field as well, made it appear desirable to link these agreements together as closely as possible. It was therefore decided that it would be most appropriate to include the employment undertakings as a chapter in the charter of the International Trade Organization.

Industrial Development⁶

An Article

Article 1 of the United States draft charter⁷ stated that one of the general purposes of the International Trade Organization would be "To encourage and assist the industrial and general economic development of Member countries, particularly of those still in the early stages of industrial development." In article 50, the Organization would be given the function of collecting, analyzing, and publishing information, and of consulting with and making recommendations and reports to members on this subject.

At the opening of the London meeting of the Preparatory Committee, a number of countries emphasized their interest in industrialization and other aspects of economic development, indicated that in their view the provisions in the draft charter were inadequate to meet the needs of underdeveloped countries, and asked that the provisional agenda be modified to allow full discussion of this subject. Because of the close connection with both employment and commercial policy, the mat-

ter of industrialization was referred to Committees I and II for their joint consideration. These committees in turn established a Joint Committee on Industrial Development, which at the conclusion of its deliberations submitted to the Conference a report containing draft articles for a new chapter of the charter and a draft resolution to be brought to the attention of the Economic and Social Council. The Joint Committee also transmitted a formal request to Committee II to take due account of certain problems relating to industrialization in connection with two of the articles in the commercial-policy chapter.

Recognition of the Importance of Economic Development

The first question considered by the Joint Committee was the manner in which appropriate recognition might be given to industrial and general economic development as one of the basic objectives of the International Trade Organization. The importance of the subject warranted expanding the charter to include a chapter on economic development. The provision, it was agreed, should be broad enough to apply to all countries (for example, countries already industrialized but engaged in programs of post-war reconstruction, as well as underdeveloped countries) and to all aspects of development (for example, moderniza-

⁶This concerns the work of the Joint Committee on Industrial Development which was established by the General Commercial Policy Committee and the Committee on Employment and Economic Activity.

⁷*Suggested Charter for an International Trade Organization of the United Nations*, published in September 1946 (Department of State publication 2598, Commercial Policy Series 93).

tion of agriculture, as well as the introduction of manufacturing industries). The first article of this new draft chapter states (art. 10) that "Members recognize that the industrial and general economic development of all countries and in particular of those countries whose resources are as yet relatively undeveloped will improve opportunities for employment, enhance the productivity of labor, increase the demand for goods and services, contribute to economic stability, expand international trade, and raise levels of real income, thus strengthening the ties of international understanding and accord."

Positive Aids to Economic Development

A point on which great stress was laid in the Joint Committee's discussions was that progressive economic development cannot take place without adequate supplies of capital funds, materials, equipment, advanced technology, trained workers, and managerial skill. It was agreed, moreover, that unless capital funds are available it may often be impossible to obtain the various other facilities in question.

Since it was recognized that the relatively undeveloped countries will usually need to look abroad for assistance in obtaining those means or facilities required for their development, the problem as viewed by delegations from those countries was one of securing agreement that such facilities would be obtainable from other countries on as favorable terms as possible. At the same time, it was clear that the interests of the other countries had likewise to be considered. The Committee which accordingly agreed upon a text recognized the reciprocal obligations of countries providing and countries receiving assistance. It was stipulated that (1) the Members should "impose no unreasonable impediments that would prevent other Members from obtaining access to facilities required for their economic development", and that they should also cooperate with the appropriate international specialized agencies of which they were members in the provision of such facilities; and (2) that Members should not only, in their treatment of foreign suppliers of such facilities, conform to the provisions of their relevant international obligations, but should also in general "take

no unreasonable action injurious to the interests of such other Members, business entities or persons". Finally, it was provided that the International Trade Organization should receive complaints of failure to adhere to any of the above obligations, and, "In the event of such complaint . . . may, at its discretion, request the Members concerned to enter into consultation with a view to reaching a mutually satisfactory settlement and lend its good offices to this end."

Government Measures To Assist Development

Another issue of major importance had to do with "legitimate protection", or the manner in which the objective of providing a maximum of encouragement for industrial and general economic development could be carried out along with the program for expanding trade through reduction of trade barriers. Various approaches to this problem were expressed, representing a wide diversity of views.

In the process of accommodating these differing views, it was decided that allowance for exceptional treatment for new or reconstructed industries should be made within the chapter on economic development in preference to having a series of special exceptions written into the various sections of the chapter on commercial policy.⁸ An article was accordingly drafted providing for (1) the recognition that special governmental assistance, which may take the form of protective measures, may be required to promote the establishment or reconstruction of particular industries; (2) rec-

⁸ A message was, however, sent to Committee II requesting it to make the following provisions: (1) in art. 18, "so that the Organization and other Members should, when considering the contribution which a Member can make to a reduction in tariffs, take into account the height of the tariff of that Member, and the need, if any, of that Member to use protective measures in order to promote industrial and general economic development"; (2) in art. 20, "to cover the position of a Member who, as a result of its plans for industrial development or reconstruction, anticipates that its accruing international monetary resources will be inadequate to finance the needed imports of goods, for example, capital goods, for the carrying out of such plans unless it imposes regulations restricting the import of certain classes of goods, for example, consumer goods".

ognition "that an unwise use of such protection would impose undue burdens on their own economies and unwarranted restrictions on international trade, and might increase unnecessarily the difficulties of adjustment for the economies of other countries"; and (3) a procedure whereby a Member with a legitimate case for granting special protection to certain industries, in order to assist its economic development, may enlist the support of the International Trade Organization and avoid retaliatory action on the part of other Members.

This procedure was made to depend on the kind of obligation from which release may be sought. In all cases—if a Member proposes to employ any protective measures that would conflict with any of its obligations under or pursuant to the charter—it must first inform the Organization, which in turn shall promptly notify other Members substantially affected, give them an opportunity to present their views, and "then promptly examine the proposal in the light of the provisions of this chapter, the findings presented by the applicant Member, the views presented by Members substantially affected, and such criteria as to productivity and other factors as it may establish, taking into account the stage of economic development or reconstruction of the Member." The next step, however, assuming the Organization might concur in the proposal, would differ according to circumstances. Conceivably, permission might be sought to raise a tariff that had been bound as a result of tariff negotiations with other Members, or to impose some other form of protection that would impair the value to other Members of an agreement negotiated with respect to a tariff, or would otherwise not be permitted under agreements negotiated pursuant to chapter V. In such a case the Organization should, as a pre-condition for granting the release, "sponsor and assist in negotiations between the applicant Member and other Members substantially affected, with a view to obtaining substantial agreement". On the other hand, if the requested release is one that would not impair a negotiated tariff concession or other commitments negotiated pursuant to chapter V, the Organization, after taking the earlier steps, may give final approval at its own discretion. In either type of case, a release when granted is "subject to such limitations as the Organization may impose."

Allocation of Functions

The final item on the agenda of the Joint Committee concerned the part that the International Trade Organization itself should play in carrying out the various functions relating to development. It was recognized that requests for permission to impose special protective measures in the interests of development should be handled by the Organization's Commission on Commercial Policy, since such requests would involve obtaining release from commercial-policy obligations. It was also agreed that Members themselves should "undertake to promote the continuing industrial and general economic development of their respective countries and territories" and in that connection should "co-operate through the Economic and Social Council of the United Nations and the appropriate inter-governmental organizations". With these questions settled, however, an issue arose which the Committee was unable to resolve. This point involved deciding how far the International Trade Organization should go in assisting Members to obtain technical and other assistance in connection with their development programs.

One view was that the Organization should itself undertake certain of the positive functions involved, particularly in helping Members to obtain technical aid in the formulation and execution of plans for development. In support of this position it was urged that the task was essentially administrative in character and hence appropriate to a specialized agency; that its performance by the International Trade Organization would provide a useful means of cooperation with Members; and that the best way to secure a balanced point of view within the Organization would be to provide its personnel with continuous experience with the positive as well as the protective aspects of national development policies. On the other side it was pointed out that there were already several international agencies concerned with various aspects of industrial development, including the newly created Sub-Commission on Economic Development of the Economic and Social Council, the International Bank for Reconstruction and Development, the International Labor Organization, the Food and Agriculture Organization, and the United Nations Educational, Scientific and

(Continued on page 207)

THE UNITED NATIONS

Report to Congress of U.S. Participation in the United Nations¹

THE PRESIDENT'S LETTER OF TRANSMITTAL

To the Congress of the United States:

In accordance with the provisions of the United Nations Participation Act of 1945 I submit herewith my first annual report to the Congress on the activities of the United Nations and the Participation of the United States therein.²

The Charter of the United Nations came into force as a fundamental law for the peoples of the world on October 24, 1945. The General Assembly convened for the first time in London in January 1946. It elected the Secretary-General and brought into being the Security Council, the Economic and Social Council and the International Court of Justice.

In December 1946, at the Second Part of its First Session, in New York, the General Assembly completed its main organizational tasks by establishing the Trusteeship Council. Thus all of the principal organs of the United Nations have now been established. All of them, except the Trusteeship Council, have been working on their appointed tasks during most of the past year.

The policy of the United States, as I told the General Assembly in New York on October 23, 1946, is to "support the United Nations with all the resources that we possess. . . not as a temporary expedient but as a permanent partnership".

That policy—in season and out—in the face of temporary failure as well as in moments of success—has the support of the overwhelming majority of the American people. It must continue to have this support if the United States is to fulfill its appointed role in the United Nations, if the United Nations is to fulfill its purposes and if our land is to be preserved from the disaster of another and far more terrible war.

In the work of the United Nations during the past year the United States has sought constantly to carry out that policy. Our representatives have

spoken for the whole nation. They have been Democrats and Republicans, members of both the executive and legislative branches of our government, men and women from private life.

The work of the United Nations during the past year has been the work of building foundations for the future.

First of all, there have been the structural foundations. The Assembly, the Councils, the Court and the Secretariat have had a vast amount of organizational work to do in order to establish themselves as functioning agencies of the international community. Much of this has been pioneering work. The whole structure of the United Nations is a far more extensive endeavor in international cooperation than the nations have ever before attempted.

The essential parts of this structure include not only the principal organs established by the Charter. They include equally the specialized agencies, such as the Food and Agriculture Organization, the International Labor Organization, the United Nations Educational, Scientific and Cultural Organization, the International Civil Aviation Organization, the International Bank for Reconstruction and Development, the International Monetary Fund, the proposed World Health Organization and International Trade Organization and several others. Each of these specialized agencies operates in a specific field under its own constitution. Each is or will be related to the central structure of the United Nations through the Economic and Social Coun-

¹ For the entire report see Department of State publication 2735 (The United States and the United Nations Reports Series 7).

² On Mar. 19, 1946, I transmitted to the Congress the Report submitted to me by the Secretary of State on the First Part of the First Session of the General Assembly in London. [See Department of State publication 2484.]

cil and the General Assembly. There is scarcely a field of activity having a common interest for the peoples of the world for which continuing instruments of international cooperation have not been developed during the past year.

Perhaps the most immediately significant development of the past year in this direction was the General Assembly's demonstration of its power to influence the policies of nations and to bring about greater understanding among them. The Assembly possesses few definitive powers. It makes recommendations that can be translated into effective law only by the action of the nations concerned. But the Assembly during its meetings in New York expressed a higher sovereignty of the people's will in a manner which promises much for its development as a dominant power for peace and progress in the world.

The building of the structural foundations of the United Nations during the past year has been accompanied by action over a very broad field toward giving life and meaning to the purposes and principles of the Charter.

There has been progress toward building security from war. Step by step we have advanced the first part of the way toward agreement on the essential principles of a truly effective international system of control over the means of destruction that science has placed in the hands of mankind.

The initiative in the control of atomic energy and other major weapons adaptable to mass destruction was taken by the United States. The resolution creating the Atomic Energy Commission was adopted at the first meeting of the General Assembly in London. The United States presented in the Atomic Energy Commission last June its proposals for international control of atomic energy. The Soviet Union opposed these proposals, but the Commission worked throughout the summer and fall to build the bases for agreement.

In October the Soviet Union introduced in the General Assembly proposals on the general regulation and reduction of armaments that seemed at first far removed from the United States position. Nevertheless, seven weeks later the Assembly was able to adopt unanimously a resolution reaffirming all the principles of the Atomic Energy Resolution and reflecting for the first time unanimous agreement on the essential principle of a system of international control and inspection established by

treaty and not subject to any veto in its operations.

Two and a half weeks later, on December 31, the Atomic Energy Commission transmitted its first report to the Security Council. The report had been adopted by the Commission by a vote of 10 to 0, the Soviet Union and Poland abstaining.

Many months of hard work and difficult negotiation in the Security Council and the Atomic Energy Commission lie ahead. Not all the essential principles have yet been agreed upon. The problem of enforcement must still be resolved. All the principles must be given specific and practical application in treaties and conventions unanimously agreed upon.

This is one of the main tasks before the United Nations in the coming year. To succeed, we must at the same time build the other essential foundations of a general system of collective security. The nations can safely lay aside their arms only in so far as their security is protected by other means.

An essential element of collective security will be the ability of the Security Council to fulfill its primary responsibility for the maintenance of international peace and security. In its consideration of international disputes during its first year the Council demonstrated increasing power to ameliorate situations that otherwise might have become dangerous, and to influence the policies of nations in the direction of upholding the purposes and principles of the Charter. This was generally true even when the five permanent members failed to reach the required unanimity for definitive action. The Security Council's application on a continuing basis of the public and peaceful methods of the council chamber to the settlement of disputes between nations is a new development in international relations, the significance of which gives every promise of becoming more apparent in the year ahead.

Important steps have been taken by the United Nations during the past year toward economic reconstruction and toward establishing the necessary basis for an expanding peace-time trade and employment.

A draft Trade Charter establishing principles and practices aimed at increasing the volume of world trade and employment by reducing or eliminating artificial trade barriers and restrictions has been proposed by the United States and is now being developed by a Preparatory Committee of eighteen nations. One of the primary United

Nations' tasks of the year ahead is the adoption of such a Charter and the creation of an International Trade Organization to carry it out.

The General Assembly has unanimously asked the Economic and Social Council to act on recommendations for the reconstruction and integration of the European economy and establishment of an Economic Commission for Europe. This Commission would unite all the interested countries, including the Soviet Union on the East and the United States on the West, in a common program. Steps toward economic reconstruction and development in the Far East will also be undertaken by the Economic and Social Council this year.

Progress has also been made by the Economic and Social Council and the specialized agencies during the past year in many other respects. It is not too much to say that the establishment and maintenance of lasting peace will depend in large part upon the ability of the United Nations to carry through to a successful conclusion the work it has begun toward world economic recovery and cooperation.

The promotion and protection of basic human rights for all peoples is a fundamental purpose of the United Nations. Active support for the wider realization of these rights and freedoms has been and should continue to be a primary objective of United States policy in the United Nations.

During the past year our representatives in the Assembly and the Economic and Social Council took the initiative in writing a charter for the International Refugee Organization under which the right to freedom and another chance for a decent life of a million victims of war and racial, political, or religious oppression would be preserved. I shall recommend to the Congress prompt acceptance of the constitution of the IRO and appropriation of our share of the expenses of its program.

The United States believes that freedom of information must be realized on a far wider basis than exists in the world today if the United Nations is to succeed. We have strongly supported the policy of public debate of all issues in the United Nations because this promotes public knowledge and understanding and gives the peoples of the world a more direct opportunity to influence the results. We have also asked for action to break down the barriers to a wider, freer flow

of information in the world. Preparations are now going forward for a world conference on freedom of information before the end of this year as one step in this direction.

The provisions of the Charter relating to dependent peoples offer to those hundreds of millions who do not yet govern themselves their best hope for attainment of this and other basic human rights and freedoms. The United States representatives took a leading part in the General Assembly in bringing about the establishment of the Trusteeship System in the face of sharp disagreements and other major difficulties that might have caused indefinite delay. The United States will support further steps during the coming year toward strengthening the Trusteeship System.

America has long been a symbol of freedom and democratic progress to peoples less favored than we have been. We must maintain their belief in us by our policies and our acts.

One of the important long-range achievements of the General Assembly's first session was the adoption of resolutions introduced by the United States on the codification and development of international law.

The General Assembly unanimously directed its committee on codification to give first attention to the charter and the decision of the Nuremberg Tribunal, under which aggressive war is a crime against humanity for which individuals as well as states must be punished. The Assembly also agreed that genocide—the deliberate policy of extermination of a race or class or any other human group—was a crime under international law. These developments toward the application of international law to individuals as well as to states are of profound significance to the state. We cannot have lasting peace unless a genuine rule of world law is established and enforced.

The justifiable hope and confidence to which the great progress of the United Nations in the past year has given rise can be betrayed and lost. The difficulties and dangers that lie before us are many and serious. They are strewn across the road that leads to the final peace settlements, to the establishment and maintenance of collective security, to the control of atomic energy and regulation and reduction of other arms, to the attainment of economic recovery and an expanding world economy, and to the wider realization of human rights.

Our policy of supporting the United Nations

"with all the resources that we possess" must be given effective practical application on a genuinely national, bipartisan basis in every activity of the United Nations. This is just as necessary in the economic and social field as it is in the political field. We must pursue without hesitation bipartisan policies of economic cooperation with the rest of the world in such matters as economic reconstruction and development and the expansion of world trade and employment. Because of the interdependence of the economy of nations, it will also

be vital to world recovery as well as to our own prosperity that we maintain at home a stable economy of high employment.

The responsibility of the United States is a particularly heavy one because of the power and influence that our history and our material resources have placed in our hands. No nation has a higher stake in the outcome than our own.

HARRY S. TRUMAN

THE WHITE HOUSE
February 5, 1947

Summary Statement by the Secretary-General of Matters of which the Security Council is Seized and of the Stage Reached in their Consideration¹

Pursuant to Rule 11 of the Provisional Rules of Procedure of the Security Council, I wish to report that as of 24 January 1947 the Security Council is seized of the following matters:

1. The Iranian Question
2. Special Agreements Under Article 43 of the Charter
3. Rules of Procedure of the Security Council
4. Statute and Rules of Procedure of the Military Staff Committee
5. Rules concerning the Admission of New Members
6. Re-examination of applications for Membership
7. The Greek Question
8. The General Regulation and Reduction of Armaments
9. Information on Armed Forces of the United Nations
10. First Report of the Atomic Energy Commission
11. Incidents in the Corfu Channel

The stage reached in the consideration of Items 1 through 7 is set forth in document S/223. Items 9 and 10 have been placed on the Council's Agenda but not discussed. The stage reached in the consideration of Items 8 and 11 is as follows:

8. *The General Regulation and Reduction of Armaments*

By letter dated 28 December 1946 addressed to the Secretary-General (document S/229), the Representative of the USSR submitted a proposal regarding the implementation of the resolution of the General Assembly on the "Principles Governing the General Regulation and Reduction of Armaments" (document S/231). At its eighty-eighth meeting on 31 December 1946 the Council placed the USSR proposal on its agenda, and at the ninetieth meeting on 9 January 1947 it was

agreed to formally accept the Resolution of the General Assembly and proceed to the question of its implementation.

Further discussion took place at the ninety-second and ninety-third meetings on 15 January and the ninety-fifth meeting on 20 January. Draft Resolutions regarding the implementation of the General Assembly Resolution have been submitted by the Representatives of the United States (S/233), France (S/243), Australia (S/249) and Colombia (S/251).

At its ninety-fifth meeting on 20 January the Council adopted by nine votes to two a resolution submitted by the Representative of the United States to defer consideration of items 8, 9, and 10 above until 4 February 1947.

11. *Incidents in the Corfu Channel*

By letter dated 10 January 1947, addressed to the Secretary-General (document S/247) the Representative of the United Kingdom forwarded copies of an exchange of notes between the Governments of the United Kingdom and Albania regarding incidents in the Corfu Channel. He stated that his Government had instructed him to bring this dispute to the early attention of the Security Council under Article 35 of the Charter.

At its ninety-fifth meeting on 20 January the Council passed this question on its Agenda. It was decided to invite Albania to participate without vote in the discussion relating to the dispute and to ask the Albanian Government, if it chose to accept this invitation, to accept for the purposes of the discussion of this case all those obligations which would fall upon a Member of the United Nations.

¹ Security Council document S/257 of Jan. 24, 1947. For statement by Trygve Lie, Secretary-General of the United Nations, as of Jan. 3, 1947, see BULLETIN of Jan. 19, 1947, p. 114.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

*Calendar of Meetings*¹

In Session as of January 26, 1947		
Far Eastern Commission	Washington	Feb. 26, 1946
United Nations:		
Security Council	Lake Success	Mar. 25, 1946
Military Staff Committee	Lake Success	Mar. 25, 1946
Commission on Atomic Energy	Lake Success	June 14, 1946
UNRRA - Intergovernmental Committee on Refugees (IGCR): Joint Planning Committee	Washington and Lake Success	July 25, 1946
Telecommunications Advisory Committee	Lake Success	Nov. 10, 1946
Committee To Study Post-UNRRA Relief	Lake Success	Dec. 19, 1946- Jan. 19, 1947
Economic and Social Council (ECOSOC):		
Drafting Committee of International Trade Organization, Pre- paratory Committee	Lake Success	Jan. 20-Feb. 28
Economic and Employment Commission	Lake Success	Jan. 20-Feb. 1
Social Commission	Lake Success	Jan. 20-Feb. 1
German External Property Negotiations (Safehaven):		
With Portugal	Lisbon	Sept. 3, 1946
With Spain	Madrid	Nov. 12, 1946
Inter-Allied Trade Board for Japan	Washington	Oct. 24, 1946
FAO: Preparatory Commission To Study World Food Board Pro- posals	Washington	Oct. 28, 1946- Jan. 24, 1947
Inter-Allied Reparation Agency (IARA): Meetings on Conflicting Custodial Claims	Brussels	Nov. 6-Dec. 17, 1946. To resume Jan. 29
PICAO:		
Interim Council	Montreal	Jan. 7
Personnel Licensing Division	Montreal	Jan. 7-25
Air-Transport Committee: Sixth Session	Montreal	Jan. 13
Aeronautical Maps and Charts Division	Montreal	Jan. 14
Council of Foreign Ministers: Meeting of Deputies	London	Jan. 14-Feb. 24
International Wheat Council	Washington	Jan. 15
Scheduled January-March 1947		
United Nations:		
Economic and Social Council (ECOSOC):		
Human Rights Commission	Lake Success	Jan. 27-Feb. 8
Statistical Commission	Lake Success	Jan. 27-Feb. 8
Population Commission	Lake Success	Feb. 6-19
Transport and Communications Commission	Lake Success	Feb. 6-19
Commission on the Status of Women	Lake Success	Feb. 10-22
Subcommission on Economic Reconstruction of Devastated Areas, Working Group for Asia and the Far East	Lake Success	Feb. 14

¹ Prepared in the Division of International Conferences, Department of State.

Calendar of Meetings—Continued

United Nations: ECOSOC—Continued		
Non-Governmental Organizations Committee	Lake Success	Feb. 25-27
Standing Committee on Negotiations with Specialized Agencies .	Lake Success	Feb. 28
Fourth Session	Lake Success	Feb. 28
Meeting of Experts on Passport and Frontier Formalities . .	Geneva	Mar. 17
International Court of Justice	The Hague	Feb. 10
Trusteeship Council	Lake Success	Mar. 26
Conference for the Establishment of a Regional Advisory Commission for Non-Self-Governing Territories in the South and Southwest Pacific	Canberra	Jan. 28-Feb. 16 (tentative)
Interim Emergency Food Council	Washington	Jan. 30-31
ILO:		
Industrial Committee on Petroleum Production and Refining . . .	Los Angeles	Feb. 3-12
101st Session of the Governing Body	Geneva	Mar. 5-8
Committee on Social Policy in Dependent Territories	London	Mar. 17-22
Committee of Experts on the Application of Conventions	Geneva	Mar. 24-29
Preparatory Meeting of Statistical Experts	Montreal	March
PICAO:		
Divisional		
Accident Investigation Division	Montreal	Feb. 4
Airworthiness Division	Montreal	Feb. 18
Airline Operating Practices Division	Montreal	Feb. 25
Regional		
South Pacific Regional Air Navigation Meeting	Melbourne	Feb. 4
Conference of the International Union for Protection of Industrial Property	Neuchâtel	Feb. 5
Signing of Peace Treaties with Italy, Hungary, Bulgaria, Rumania, and Finland	Paris	Feb. 10
International Refugee Organization: Preparatory Commission . . .	Geneva	Feb. 11
Emergency Economic Committee for Europe (EECE): Subcommittee on Emergency Housing Problems	The Hague	Feb. 13-15
International Children's Fund: Executive Board and Special Com- mittee Meeting	Lake Success	Feb. 24
Council of Foreign Ministers	Moscow	Mar. 10
World Health Organization (WHO): Third Session of Interim Com- mission	Geneva	Mar. 31
European Central Inland Transport Organization (ECITO): Seventh Session of the Council	Paris	March

Activities and Developments »

SIGNING OF ARTICLES OF AGREEMENT OF INTERNATIONAL BANK

On December 24, 1946, Colombia signed and accepted the articles of agreement of the International Bank for Reconstruction and Development.

Those countries which were entitled to sign the articles of agreement before January 1, 1947 but failed to do so are: Australia, Liberia, New Zealand, Haiti, and the Union of Soviet Socialist Republics.

SECOND INTER-AMERICAN CONGRESS OF RADIOLOGY¹

The Second Inter-American Congress of Radiology was held at Habana, Cuba, from November 17 to November 22, 1946, to permit the exchange of radiological information among physicians of all the Americas. The Congress of Radiology was created by interested physicians in 1943 following correspondence between leading members of the medical specialty of radiology in North and South America.

The first congress was held in Buenos Aires in 1943. Because of traveling restrictions created by the war, no delegates were able to attend from North America. At the recent congress physicians from all the American republics were invited to attend, and nearly all were represented. Scientific papers dealing with radiological research and procedure were presented, and exhibits, including both scientific and commercial displays, were set upon the site of the congress. Papers were delivered on such topics as the use of X-ray and radioactive substances in the diagnosis, treatment, and prevention of disease and on Roentgen therapy.

At the closing session of the congress on November 22, a new organization, the Inter-American College of Radiology, was founded. Its headquarters office will be in Buenos Aires, Argentina. The Third Inter-American Congress of Radiology is scheduled to be held in Santiago, Chile, in 1949.

The following were members of the United States Delegation: from the American College of Radiology, Eugene P. Pendergrass, M.D., E. C. Ernst, M.D., Ross Golden, M.D., Leon J. Menville, M.D., and Benjamin H. Orndoff, M.D.; from the American Roentgen Ray Society, Vincent W. Archer, M.D., J. Bennett Edwards, M.D., Raymond C. Beeler, M.D., Mac F. Cahal, J.D., George E. Pfahler, M.D.; from the Radiological Society of North America, Inc., W. Edward Chamberlain, M.D., Lowell S. Goin, M.D., Maurice Lenz, M.D., Edgar P. McNamee, M.D., Frederick W. O'Brien, M.D., and Edith H. Quimby, M.D.; from the U.S. Public Health Service, Herman E. Hillboe, M.D., and Russell H. Morgan, M.D.

PRESS AND RADIO COVERAGE FOR COUNCIL OF FOREIGN MINISTERS IN MOSCOW

[Released to the press January 21]

Ambassador Bedell Smith reported from Moscow on January 18 that he and Deputy Minister for Foreign Affairs Vyshinsky conferred on subjects relating to press coverage, radio broadcasting facilities, and so forth for the forthcoming meeting of the Council of Foreign Ministers at Moscow. Ambassador Smith reported that the Soviet position is as follows:

The primary consideration of the Soviet Government is to provide suitable quarters and office space for the delegations. Delegations and correspondents will be quartered in the Moscow Hotel, the larger part of which is now being cleared for the purpose. The Soviet Government is unable to determine the total number of correspondents who can be admitted until they know the size of the official delegations.

The Soviet Government is unable to make a tentative estimate of the ceiling on the number of correspondents at this time.

No difficulty about the arrival of correspondents by United States air transport is anticipated.

Ambassador Smith further reported that a decision has not yet been made as to whether broadcasting facilities will be available. He pointed out to Mr. Vyshinsky the importance of making such facilities available.

The Soviet Government will permit correspondents to write with complete freedom on conference matters.

SIGNING OF PEACE TREATIES

On January 20, 1947 Secretary of State James F. Byrnes signed on behalf of the United States of America the treaties of peace with Bulgaria, Hungary, Italy, and Rumania, which were formulated by the Council of Foreign Ministers. Those treaties will be signed in Paris on February 10 by the American Ambassador to France and representatives of the other governments concerned.

¹ Prepared by the Division of International Conferences, Department of State.

Sixth Plenary Session of Intergovernmental Committee on Refugees

Article by Martha H. Biehle

The Sixth Plenary Session of the Intergovernmental Committee on Refugees met in London from December 16 to 20, 1946 with representatives of 32 of the 36 member governments in attendance. Señor Don Manuel Bianchi, Ambassador in London for the Government of Chile, was elected chairman of the session. The Delegate of the United States Government to the meetings was George L. Warren, adviser on refugees and displaced persons to the Department of State.

The major items for consideration by the Committee were the report of the director on activities in 1946, the administrative and operational budgets for 1947, and the proposals for adoption of an international scale for contributions of all member governments to the operational budget.

Sir Herbert W. Emerson, director, reporting on the work of the Committee during 1946, stated that although the program of maintenance and relief of refugees has continued in Belgium, France, Holland, Portugal, and Spain, and to a small extent in Italy and the Middle East, the emphasis of the Committee in the past six months has been on emigration and resettlement. On July 16, 1946 the Executive Committee voted to extend the Committee's program to include activities leading to resettlement of those displaced persons who are unwilling or unable to return to their countries of former habitual residence. It was understood that such activities are regarded as preliminary to the assumption of responsibility for refugees by the proposed new International Refugee Organization. The Intergovernmental Committee has sent four missions to South American countries to explore the possibilities for immigration of displaced persons. The Committee is also taking up the matter of establishing resident representatives in Shanghai to aid in the emigration of European refugees temporarily resident in China, and representatives in countries of reception in the Western Hemisphere.

During the discussion of the director's report the question was raised whether the Committee's work on behalf of the resettlement of refugees is compatible with the desired encouragement of repatriation. In response the fact was stressed that, although the Committee desires to see as many displaced persons repatriated as possible, it is recognized that a number will refuse to be repatriated voluntarily. Therefore, it is necessary, on humanitarian grounds and in order to prevent a growth of bitterness that might possibly result in a new fascism, to make provision for such persons in new areas of settlement. It was also suggested that many displaced persons who are uncertain about their plans may prefer repatriation when they see clearly that resettlement will not result in an easy mode of life. The Committee's extension of activities in the matter of resettlement, in preparation for the International Refugee Organization, was approved by most members present.

During 1946 the Committee undertook various measures for the legal and political protection of stateless persons. Prominent among these was the calling of an international conference of governments to consider proposals for an internationally acceptable travel document for issue to stateless persons. This conference concluded with the approval on October 16, 1946 of an international agreement which was signed by 15 governments and which provides the conditions for the issuance of the travel document by a signatory government to stateless persons temporarily resident in that country.¹

The director reported that according to article VIII of the final act of the Paris Conference on Reparation, the Governments of Czechoslovakia, France, United Kingdom, United States, and Yugoslavia had been designated to work out a plan for the use of certain funds from German reparations for the rehabilitation and resettlement of non-repatriable victims of German action. Accordingly, these five governments met in Paris in June 1946 and asked the Intergovernmental

¹ The United States Government has not yet signed the agreement.

Committee on Refugees to administer these funds through appropriate public and private organizations. The director of the Intergovernmental Committee is to make funds available to these organizations for programs submitted by them, as soon as he has satisfied himself that such programs are consistent with the purposes of the reparation fund.² The conditions of the use of these funds are specifically defined in a letter of instructions transmitted to the director of the Intergovernmental Committee on Refugees by the French Government on behalf of the five governments participating in the Conference. These instructions designate the American Jewish Joint Distribution Committee and the Jewish Agency for Palestine as the field agencies to which the director, after satisfying himself that the projects submitted by them meet the intent of the reparation fund, shall make available that portion of the fund which is for Jewish victims of Nazi action. The organizations to administer the funds available for non-Jewish victims are to be selected by the director of the Intergovernmental Committee from among the appropriate field organizations competent to perform these functions. The restriction of eligibility to very specific categories of refugees, most of whom are German and Austrian Jewish victims of persecution, and to few types of services, means that the reparation fund may be used to aid in the resettlement of less than 20 percent of the total number of displaced persons.

An administrative budget of approximately \$471,000 was approved for the year 1947. In presenting the operational budget it was stated that the Executive Committee had suggested that estimates should be based on the assumption that the new International Refugee Organization would commence operations on or about July 1, 1947. The proposed budget for the Intergovernmental Committee for the first half of 1947 was \$14,490,000. This included \$394,450 for overseas offices and missions, \$1,457,050 for current programs of assistance other than transportation (chiefly in Belgium, France, Holland, Portugal, and Spain), \$9,257,500 for the emigration of individuals and family units, \$2,012,500 for group settlement, and \$1,368,500 for unforeseen expenditures. The proposed figures for emigration and resettlement were closely related to the expenditures estimated for the International Refugee

Organization in these fields. After some discussion, the budget estimates were reduced by \$2,012,500 in the case of individual and family emigration, and by \$402,500 in the case of group settlement, with the result that the operational budget approved by the plenary session for the first six months of 1947 is a total of \$12,075,000.

A resolution passed by a majority vote recommended that member governments contribute toward the Committee's operational expenditure according to an intergovernmental scale which was also approved. Members were asked to communicate their intentions on this matter before February 15, 1947. The new scale is based on the scale for contributions to the operational expenditure of the International Refugee Organization, and the largest contributions under it are: Anglo-American, 69.84 percent (the division of which as left to bilateral discussions between the two countries); French, 4.73 percent; Canadian, 4.04 percent; Swedish, 2.54 percent; Swiss, 2.19 percent; and Australian, 2.03 percent. Until the adoption of this proposal the operational expenses of the Committee were underwritten in equal amount by the Governments of the United States and the United Kingdom, with other member governments asked to contribute voluntarily.

The plenary session also adopted resolutions relating the work of the Committee and its financial provisions to those of the International Refugee Organization, and recommending that as many as possible of the suitable members of the Committee's staff be employed by that Organization.

During the session, the Italian Government and the Government of Liechtenstein were admitted into membership of the Committee. The Governments of Argentina, Belgium, Brazil, Canada, France, Poland, Switzerland, United States, and United Kingdom were elected to constitute the Executive Committee. The Governments represented at the plenary session were: Argentina, Australia, Belgium, Bolivia, Brazil, Canada, Chile, Colombia, Czechoslovakia, Denmark, Dominican Republic, Egypt, Eire, France, Greece, Iceland, India, Italy, Liechtenstein, Luxembourg, Mexico, Netherlands, New Zealand, Nicaragua, Norway, Paraguay, Peru, Poland, Sweden, Switzerland, Union of South Africa, United Kingdom, United States of America, and Venezuela.

² BULLETIN of Jan. 27, 1946, p. 114, and of July 14, 1946, p. 71.

THE RECORD OF THE WEEK

National Defense and National Reputation

ADDRESS BY ASSISTANT SECRETARY BENTON¹

You have dedicated this conference to the subject of national defense. I shall dedicate this talk to the theme of national defense of a new type—a type that is far less understood by the American people than is the atomic bomb.

Military experts say there is no effective defense against the new weapons of war. They are, of course, right. There is no military defense. But there is another, a greater defense, that is not military. We must build that defense; and we must build it now, while there is yet time.

If we cannot surely rely on guns and ships, on airplanes and bombs, what other hope is open to us? The Constitution of the United Nations Educational, Scientific and Cultural Organization declares: “. . . wars begin in the minds of men, it is in the minds of men that the defenses of peace must be constructed.” Is it in fact possible, by constructing defenses in the minds of men, to progress toward national security that is real and lasting?

The use of facts and ideas, as well as oceans and battleships and tanks, is new to the American people when they think of their national defense. But in the war our Army and Navy learned how potent facts and ideas can be. In cooperation with the Office of War Information, they developed what were called *P. W. units*—units dedicated to psychological warfare.

One incident may demonstrate the power of psychological warfare. Marquis Kido, who as Lord Keeper of the Privy Seal was an adviser to the

Emperor of Japan, has testified that the Emperor had access to the monitoring service on our “Voice of America” broadcasts in the Japanese language. The Emperor had himself picked up our leaflets on the Palace grounds. The effect of our information activities, and their potential effect on the Japanese people—Marquis Kido’s evidence shows—was a positive factor in the decision to issue the Imperial Rescript, which announced Japan’s surrender, over the opposition of powerful forces which wanted to fight it out to the bitter end. These broadcasts and leaflets may have saved the lives of hundreds of thousands of American boys. Our ideas were thus weapons, perhaps more powerful than any battleship or task force. The war provides us with countless examples of the power of ideas as weapons.

But I am not here to talk about psychological warfare. That, we hope, is behind us. The value of projecting facts and ideas—honest and unvarnished facts, fair and balanced ideas—can be as great in peace as a measure of national security, as in war as a weapon of offense. The weapons of the war can be forged into the tools of the peace. This we must do, and now. Among the leading nations, it is only the United States that fails to accord recognition to the power of facts and ideas in time of peace as in war.

We Americans know much about our Navy, the most powerful in the world; about our Air Force; our billions of dollars in gold in the vaults in Kentucky; about our Detroit and Pittsburghs. As a people we know little about the power of our ideas in their potential influence over other peoples. We have as yet shown little faith in their capacity to gain understanding throughout the world for our democratic government and our way of life.

Do we want friends throughout the world?

¹ Excerpts from an address delivered before the Twenty-first Women’s Patriotic Conference on National Defense in Washington on Jan. 25, 1947 and released to the press on the same date.

Does having friends not minimize the risk of war? Are they not assets in time of crisis?

We have all of us seen in our own lives, and in the life of our Nation, what a tremendous asset friends can be. We know too that without friends no possible action or policy can bring us permanent security.

Thus it is not merely our economic policy that can achieve the kind of world in which the chance for peace is enhanced and the risk of war is minimized. It is not merely the fear of our military power that can prevent attack upon us. It is also knowledge of what we are and what we do, of our ideas and our intentions; in a word, our reputation. And it is knowledge of our everyday lives that counts as well as our high policy, for one explains the other; knowledge of the high school in Des Moines and the farm in Indiana, of the small factory in upstate New York as well as the big shipyard in California; of the country weekly in Virginia as well as the glossy magazine out of New York; of our churches, with their 68,000,000 membership, our free unions, our multifarious civic organizations.

Congress is becoming increasingly aware of the importance of our national reputation. Senator Wiley has just introduced a bill calling for the establishment of a Department of Peace, under a Secretary of Peace having Cabinet rank. The Secretary of Peace would concentrate on the maintenance of peace through promoting better understanding among the peoples of the world of each other, and thus promoting international cooperation; and through advancing freedom of the press and through throwing the weight of moral force behind the removal of international frictions and misunderstandings.

Congressman Dirksen has introduced a bill calling for the establishment of a Peace Division in the Department of State, under an Assistant Secretary of Peace, to study the cause and cure of war and to develop a philosophy of peace based upon such study.

I know and admire both Senator Wiley and Congressman Dirksen. Congressman Dirksen during the war testified on behalf of the OWI, reporting his observations on a trip overseas with an eloquence and persuasiveness that demonstrated both his insight and his courage.

I have not seen or talked to either Senator Wiley or Congressman Dirksen since their bills were

introduced. Can it be they are kidding the State Department? Or is it that they feel the State Department is so remiss in its obligations that the only hope is new legislation of the type they propose? I am grateful to them for these bills, which may focus the attention of Americans on what the role of their State Department must be.

For surely a main function of the Department of State should be that of Senator Wiley's proposed Department of Peace: to foster the kind of world environment that minimizes the risk of war. If it does not do this, it should be, in fact, re-oriented in viewpoint by legislation or otherwise. And it is my area of the Department that is specifically responsible for advancing understanding among peoples and helping to construct the defenses of peace in the minds of men. Here, I agree with what is implicit in these bills; the job is being done inadequately, and on a pathetically small scale; and here you women and your organization can help greatly if you will.

As Senator Vandenberg recently pointed out, national defense requires constant vigilance. It requires also a constant revaluation of the elements that make up our security. Today the elements that compose our defense are shifting so rapidly that they demand the coolest, wisest thought of which we are capable.

To the men of Jefferson's day, as of McKinley's, the phrase *national defense* has meant the defense of our shores against armed attack. It has evoked the picture of an isolated America, warning a hostile world not to trespass. If such a negative concept was ever justified—and it probably was—it is not justified now. The concept of the G. A. R. can no longer be that of the D. A. R. National defense must today be a positive concept; and you have shown, in the structure of this conference, that you recognize it as a positive concept.

Two new facts of international life, closely related, should produce an overwhelming impact on our conception of national defense.

One fact is the revolution that has taken place in our foreign policy within the last five years. That revolution is so profound that we have not fully adjusted our emotions, our actions—or our appropriations—to it, though with our minds we recognize it to be inevitable and irreversible. Our national defense is today the defense of law and justice throughout the world. We are committed specifically to resist aggression wherever it may

occur. We are committed generally to a concern with the well-being of peoples everywhere, not for reasons of altruism but in our own interest and for our own protection.

Two weeks ago tonight in Cleveland, former Secretary Byrnes said, "As a great power and as a permanent member of the Security Council, we have a responsibility, veto or no veto, to see that other states do not use force except in defense of law." Secretary Byrnes has been widely praised for that statement. Contrast that with our Neutrality Act of 1939 and you will see what a revolution has taken place in our thinking.

The second new fact of international life is that the instruments of modern war have become so horrible that, if war comes again, it is likely that nobody will win, and almost certain that everybody will lose. The prime objective of national defense is thus to prevent war and at the same time establish justice. That is the task of statesmanship. That is a task to which we are only beginning to be adjusted. That is a task which we do not yet fully understand, and a task on which you women and your organizations are singularly fitted to take leadership.

In our American view, the chief function of the armed forces is to discourage aggressors—in advance. We employ force only as a last resort. The dilemma today is that the resort to force may be a last resort indeed—and for all of us. The victor at the next peace table, if there is still a table, may represent a country with its own cities and civilization virtually destroyed. Such would be no victory, except to the few left alive who can hollowly proclaim: "We have won again."

This dilemma, coupled with our new world-wide commitments, requires us to search for, and to develop as we never did in the past, techniques of national defense in which the risk of resort to naked force is reduced to the absolute minimum.

Fortunately there is a wide range of techniques between the hope for a moral millenium on the one hand and the resort to force on the other. The American people, as a whole people, have never before had to study and master them. We are now moving to expand and improve our diplomatic corps, a move which should have been made many years ago. We have been reshaping our foreign economic policies. We have shared in the invention and the creation of the United Nations and its specialized agencies as wholly new instru-

ments of national defense, in the positive sense of that term. And we are beginning the effort to assure that foreign peoples understand us—understand our people, understand our problems, our policies, and the national life from which these policies spring.

This afternoon you discussed the strengthening of national defense by strengthening democracy at home. It is true that great empires have succumbed from internal decay as often as from external attack. What I want to stress tonight is the impact abroad of our domestic policies.

Our position as the leading world power makes our domestic, internal activities important to the entire world. How we live, what we do, may affect everyone. Therefore we are objects of intense curiosity. That curiosity symbolizes both the penalty and the opportunity of leadership. It is a new phenomenon. In the nineteenth century, older civilizations looked upon us—when they looked at all—as a kind of child prodigy. Their curiosity about the adult is accompanied by many strange and sometimes massive misconceptions. Evidences of these misconceptions flow across my desk in a constant stream.

Perhaps the most wide-spread and damaging misconception abroad about the United States is that the American economy is sure to prove highly unstable—and not to be depended on. Foreign peoples remember the world depression of the thirties as an economic nightmare that had its origin in the United States. Perhaps the greatest single obstacle today to foreign response to our leadership, in many parts of the world, is fear of economic collapse in the United States. This fear of an American economic breakdown is more acute among many foreign peoples, who desperately crave security, than it is here. They fear that if they tie themselves in with our economy, or emulate our methods, they will commit themselves to boom and bust.

Foreign peoples find it hard to understand or properly appreciate the strength and vitality of the American economy, even during a setback. One hundred years of Marxist indoctrination about the inevitable and bloody collapse of the capitalist system has not made understanding easier.

It is claimed against us that we cannot attain stable employment and high production in peacetime; or that we are firmly in the grip of a growing

system of monopoly; or that our system must lead to world-wide economic imperialism. For some countries, our strikes are dramatized as national disasters—the beginning of the end—even though they affect only a small fraction of our work force.

The moral here for us, in the economic area, is twofold. First, it is in our national interest that we project to peoples abroad the facts of our economic life fully, steadily, accurately, and deliberately, and by every means at our disposal. We can see to it that our reputation is no worse than the facts justify.

The other half of my dual moral is that we must in fact strengthen our democracy—and thus our prestige, our leadership, and our security. There is still truth in the old adage: “What you are speaks so loudly I cannot hear what you say.” Our efforts will be watched abroad with bated breath. Can we temper the excesses of the business cycle? Can we solve our labor problems?

We cannot blame the French for worrying about our economics when an American coal strike can bring French industry grinding to a halt; or the British, when their meager bread ration is threatened; or the Italians, when their reconstruction program is endangered. Can we steadily expand our production, provide basic security for our people, insure equality of economic opportunity, and at the same time maintain our traditional freedoms?

Can we, in short, put into practice what we have learned since 1929? Of course we will continue to have some fluctuation. But there is a new spirit in America; and we do have the knowledge, and the power, to take steps that will avoid the extremity of boom and bust, if we have the will.

As we succeed, and as understanding of our progress spreads, it will be no local triumph. It will be a success that will help determine the shape of the future of the world. And it will bear heavily on our national defense, as that term should be broadly and positively conceived.

Tomorrow you will hear about the military aspect of our defense and the military responsibilities we have assumed through our membership in the United Nations.

This is still a poor world we live in, morally, educationally, and in mutual understanding among peoples. Physical force is still the ultimate arbiter. Sometimes it lies very close beneath the surface of negotiations. Secretary Byrnes em-

phasized, in several of his public statements last year, that it is unrealistic to think that your words will carry weight in an international conference unless you have force to back them up.

The United States was catapulted into its present position of world leadership—somewhat reluctantly and to its own surprise—not because of its virtue but because of its economic, technological, and military strength. Despite the reservoir of good-will we have in many parts of the world, you would be disappointed, if you sat where I sit, to find that respect for our good works, and admiration for our moral or spiritual leadership, lags far behind the knowledge of our economic power and military might.

I am not minimizing the value of a reputation for strength. It is a reasonable assumption that if the Japanese and German people had known the strength and determination of the United States they would never have risked an aggression involving us, or raised up leaders who risked it. They were told that we were weak and divided, decadent from too much luxurious living; and they believed it. Brigadier General Fellers, one of General MacArthur's aides, who interviewed leading Japanese generals and admirals, told me that some of those leaders who knew America best so opposed the attack on Pearl Harbor that they were forced into retirement.

A country must be strong if it is to be a leader, and the United States is strong. But a real leader must have more than power. He must have loyalties, and he must have friends; and these friendships must not be based on fear and favors but on mutual understanding and respect. He must be respected for what he is and for what he does. He must be honest, reliable, predictable. Other nations and their peoples must have confidence that self-restraint will be exercised in the use of power. They must be convinced that the leader will act according to principle and use power for the benefit of all rather than for narrow selfish ends. Today it is necessary not only to *be* and to *do* but to *say* what we are, and what we are doing, in a voice the whole world can hear.

Former Ambassador Bullitt says in his recent book: “The most necessary and legitimate use of force is to hold the field to permit the growth of moral ideas.”² We are now putting a very great

² *The Great Globe Itself*, (Scribner's, New York, 1946), p. 170.

deal of money into force and properly so, given the present state of the world's morals and of the present lack of understanding of the United States. But when you listen tomorrow to a description of our military, naval, and air protection, remember to ask yourselves, "What are we doing to promote the growth of moral ideas? And what are we doing to make clear to the peoples of the world an honest picture of our lives—our achievements with our failures, our aspirations with our shortcomings?"

You will also hear tomorrow a discussion of the United Nations and several of its corollary agencies. I shall now anticipate some of that discussion. These agencies operate in the great field that lies between reliance on pure morality on the one hand and pure strength on the other. I want to bespeak your interest in the United Nations agency that takes the longest view, reflects most closely the moral end of the spectrum of international relations, and, potentially, may hold the highest promise for building defenses of peace that will endure.

Last month I had the honor of leading the American delegation to the first general conference of the United Nations Educational, Scientific and Cultural Organization, meeting in Paris. The program that emerged is one that can contribute significantly to our national security.

UNESCO will seek to eradicate illiteracy everywhere and to lift educational standards. Illiterate men are pawns in a power struggle. UNESCO will seek to reduce barriers to the free flow of ideas and information everywhere. The most literate peoples can be led and bullied into aggression when they are cut off from a full and steady account of development among other peoples and fed on lies and distortions. UNESCO will seek to diagnose the social and psychological tensions that lead to conflict, as urged in Congressman Dirksen's bill. And UNESCO will stimulate the exchange of students, teachers, scholars, and experts on the widest possible scale. In such ways UNESCO will strive to lay that solid foundation of understanding among peoples which is the best hope of peace. As UNESCO succeeds, our security, and the world's security, will be strengthened. The operating budget for all of UNESCO for 1947 is \$6,000,000. This is, I should guess, one

ten-thousandth of the world's military and naval expenditures this year.

UNESCO should have your support, not passive and inarticulate but active and vocal.

Finally, you should interest yourselves in a new instrument in our program for national security, the Office of International Information and Cultural Affairs in the Department of State. This arm of national security is designed to accomplish, on a national and bilateral basis, what UNESCO is designed to accomplish on an international and multilateral basis. Its function is to project to foreign peoples a full and fair picture of American life and of the aims and policies of the United States Government. Its policy is to concentrate on those areas, and those media of communication, where private agencies do not or cannot function adequately, to fill the gaps and correct the misconceptions. It is thus the guardian of our national reputation abroad. Its end is to help assure that our country will not again be placed in jeopardy because it is misunderstood.

Our political and military leaders have recognized the new urgency of understanding. President Truman has said: "At no time in the history of man has the survival of man depended so much upon the ability of man to understand his fellow-man." Secretary Byrnes has said: "There was a time when we could afford—or thought we could afford—to be unconcerned about what other people thought of us. . . . That time is past."³ Secretary Marshall, in his report on China, has stressed the confusion that results from distorted propaganda.

General Eisenhower has said, "I am convinced that the world cannot stand another global war, and, as I see it, the thing to prevent such a tragedy happening is education. No one wants war. The common man everywhere hates war. We must enlist that hatred of war to prevent it happening again. The peoples of the world must be made to realize how much the very thinking of war costs us all, how much of the revenue of our countries is being diverted to the purposes of war—these non-productive expenditures. I believe so fervently in mass public opinion—look how it armed the United States when war came—and if only it were mobilized in favor of the peace we all want, there never would be another war."

General Eisenhower is right in referring to military expenditures as non-productive. They

³ Department of State appropriation bill for 1947, p. 10.

are a non-productive drain on the economy, just as a fire-insurance premium is a non-productive expenditure for a home owner. Both are necessary for protection. But when his fire-insurance premium becomes unbearably large, the home-owner seeks ways to reduce it by reducing the risk of fire. If our State Department's information program helps reduce the risk of war, it can thus help reduce the premium cost of armaments.

The Office of International Information and Cultural Affairs observed its first birthday on January first. This Office has maintained small information staffs and United States information libraries in 62 countries. It has exhibited non-commercial documentary motion pictures about American life to some 100 million people overseas. It has furnished background material and full texts of official statements to editors throughout the world. And it has broadcast by shortwave around the clock in 24 languages. Next month a twenty-fifth language will be added—Russian.

This Office has also been the focal point for a program of scientific and cultural cooperation and of exchange of students with the other American republics. It awaits congressional authorization to extend this work to the rest of the world. The lack of this authorization, which will be requested in a bill to be introduced shortly, is one of the great gaps in our national security program. It is a gap which I hope Congress will shortly fill.

These efforts are indeed modest in scope, compared with the breadth and depth of the misunderstanding about America. Other powers, under the spur of greater necessity, long ago developed skill in projecting their stories. Great Britain's effort is on at least twice our scale. Compared with the total activities of the Soviet Union, where propaganda seems to be placed in a class with the Red Army as a bastion of foreign policy, the informational efforts of both Great Britain and the United States are minor.

Modest is perhaps too flattering a word to describe our information activities abroad. Our budget for these activities is less than one quarter of one percent of the budget of the armed forces. There was a time last year when it seemed likely there would be no budget at all. Thus these new activities are still not recognized by Congress and our people as an important and an integral part of the conduct of our foreign relations, and thus as a major element in our security.

The exchange of students is an example. I know of no surer method of increasing understanding of the United States, for the long run, than to bring foreign students to live among us for a year or two. If this is true, and if the understanding they acquire contributes to our security, then we should invite such students not in terms of a few score or a few hundreds but in terms of thousands. And we should widen the area from which we assist such students, not limit it to Latin America. We must widen our horizons and raise our sights. This will require the basic legislation to which I have referred, and it will then require a budget.

Another example is our foreign-language broadcasting. If this is worth doing, if it contributes to our security—and we in the State Department are convinced that it does—then we should see to it that the programs we broadcast are audible, without fading, in every key area of the globe. This will require additional relay stations abroad, to pick up our programs and re-broadcast them. The cost of these relay stations is negligible compared to the results we are after. Here again, congressional action is called for.

Industrial Development—*Continued from page 192*

Cultural Organization. In view of this fact, some Members expressed the opinion that, in the interests of avoiding a duplication of functions, the broad language of the United States draft charter on this question should be retained, and a specific decision to undertake positive tasks postponed until experience should show that necessary functions were not being performed either under the Council or by other specialized agencies.

Rather than attempt to settle this issue, the Committee decided to request the opinion of the Economic and Social Council, and the draft clause regarding the role of the Organization in promoting economic development was enclosed in parentheses to indicate its tentative character. A resolution was then drafted drawing the attention of the Economic and Social Council to the discussion of this question in the Committee's report and asking the Council to state, before the commencement of the Second Session of the Preparatory Committee, whether the clause provisionally included in the draft chapter "was in accordance with the Council's views on the appropriate allocation of functions among the various specialized international agencies."

Proposed Treaty of Commerce With India

LETTER FROM UNDER SECRETARY CLAYTON TO REPRESENTATIVE CELLER

[Released to the press January 20]

At the request of Representative Emanuel Celler of New York, the Department is releasing the following letter sent to Mr. Celler by the Under Secretary for Economic Affairs, Will L. Clayton, on December 21, 1946. Mr. Clayton's letter was sent in response to inquiries from Mr. Celler regarding commercial relations between the United States and India, with particular regard to the need for a treaty of friendship, commerce, and navigation between the two countries.

My DEAR MR. CELLER:

I wish to supplement my letter of December 11, 1946 acknowledging your communication of December 2, in which you suggested the advisability of negotiating with India a Treaty of Friendship, Commerce and Navigation. You also referred to your previous letter, dated September 26, in which you recommended that a trade commission be sent to India to develop closer commercial and industrial relations.

Since writing you on October 15, 1946, with respect to the second of these questions, the Department has learned of the plans of certain private organizations to send trade missions to India during 1947 with the purpose of exploring with Indian business interests the possibilities of closer trade relations. Such projects appear to me to be very much worth while, particularly if a careful groundwork is laid and the personnel of the mission consists of representatives of firms which are actually engaged, or prepared to engage, in serious and substantial trade.

In recognition of the increased importance of the economic relations between the United States and India, the Department is strengthening its official economic representation in New Delhi. Mr. Samuel H. Day, who has had a long and distinguished career first with the foreign service of the Department of Commerce and since July 1939 with the unified foreign service, has recently been appointed Counselor for Economic Affairs of our Embassy in New Delhi. Mr. Day expects to leave for India within the next few days. In preparation for his new duties on instructions of the Department he has conferred in New York

City with the private groups planning to send trade missions to India in order that he may be prepared to accord such missions all appropriate assistance both in preparing for the visits and upon their arrival.

As indicated in my interim reply of December 11, this Department has long wanted to conclude a mutually advantageous Treaty of Friendship, Commerce and Navigation with India. For your confidential information, this question has been discussed with officials of the Government of India on several occasions. The United States naturally would not wish to conclude a commercial treaty with India unless most-favored-nation treatment were granted. The "commercial safeguards" sections of the Government of India Act of 1935, under which India is still governed, grant British commercial and professional interests extensive privileges. Indian nationalist opinion has long agitated for the elimination of such privileges and the Government of India has not considered it could grant most-favored-nation treatment to the United States, or to other foreign countries, so long as the "commercial safeguards" continue in effect. The conclusion of a commercial treaty between India and the United States is, therefore, dependent upon constitutional progress including the negotiation of a treaty between India and the United Kingdom which presumably will concede only such privileges as India is willing to grant to third countries.

As I have previously indicated, the Department was most grateful for your leadership in obtaining passage of the Indian Immigration Act. I am also most appreciative of your continuing interest in Indian affairs and particularly of your sympathetic realization of the complexities involved in bringing to a successful conclusion the negotiation of a commercial Treaty. Please be assured that the Department will take advantage of any favorable opportunity to urge again on the Government of India the desirability of an early conclusion of such a Treaty as you recommend.

Sincerely yours,

W. L. CLAYTON
Under Secretary for Economic Affairs

Direct Negotiations for Owners of Property in Germany and Japan

[Released to the press January 21]

The Department of State reiterated on January 21 that persons owning property or having other proprietary interests in Germany or Japan may now communicate directly with business parties or interests in those countries without channeling such inquiries through the Department of State (as provided by Treasury Department Public Circular no. 34).¹

Heretofore, under wartime restrictions, persons in the United States were prohibited from communicating with friends, relatives, or business representatives in Germany or Japan concerning their property, nor could persons in those occupied countries communicate such information to residents of the United States.

Thousands of persons who found refuge in this country shortly before the war, many of whom are now American citizens, have had no knowledge of what became of their former homes, commercial establishments, and personal property in Germany and Japan.

Examples of communications which may freely be exchanged under the public circular are reports concerning the status of property located in Germany and Japan, information with respect to trade prospects, and other messages looking toward the resumption of business relations with Germany and Japan. The transmission of documents such as birth, death, or marriage certificates, wills, and legal notices was authorized under this circular.

Inquiries with respect to trade prospects and other messages looking toward the resumption of business relations with Germany and Japan, such as the nature, quantity, and availability of goods, are also permitted now. It is expected that private commercial transactions will be authorized when arrangements for resumption of private trade have been made.

Attention is directed to the fact that transactional communications with Germany and Japan

are still prohibited, including any communication which constitutes or contains authorizations or instructions to effect any financial, business or commercial transaction, as well as the transmission of powers of attorney, proxies, payment instructions, transfer orders, checks, drafts, payments of exchange, currency, money orders, and the like.

It should also be noted that under the regulations in effect in Germany, correspondence with Germans concerning German external assets, even of a simple informational character, will not be passed by censorship. A similar instruction is in effect in Japan.

Although it is expected that property owners will now generally take advantage of the opportunity to transmit the permitted types of communications directly to persons in these countries, the Department of State will continue, upon request, to afford its services in forwarding inquiries to United States authorities in Germany and Japan and in ascertaining the status of American-owned property.

Military Government Activities in Korea

Summation no. 13 for the month of October 1946 of United States Army Military Government activities in Korea was released to the press by General Headquarters, Commander in Chief of United States Army Forces, Pacific, and by the War Department in Washington on January 19, 1947.

Included in the report are the announcement of the establishment of a Unification Committee and the committee's approval of a plan to establish a Legislative Assembly; the formation of a committee representing nine left-wing political parties; and the calling of a joint Korean-American conference to make a comprehensive study of recent riots.

¹ 12 *Federal Register* 43.

Activities of Dissident Korean Groups

STATEMENT BY LIEUTENANT GENERAL HODGE

In making available the following text of a recent public statement by Lt. Gen. John R. Hodge, Commanding General of the United States forces in Korea, the Department desires to emphasize this Government's concern in regard to the activities of dissident Korean groups which cannot but militate against the efforts of those Koreans who are earnestly desirous of attaining a united and independent government for their country.

Text of General Hodge's statement, made in Seoul, Korea, on January 16, 1947

It has come to my attention that there are extensive plans under way by certain Korean groups to instigate wide-spread demonstrations in South Korea against the Moscow decision, against the so-called trusteeship, coupled with attempts to discredit the American effort in Korea. This appears to be tied in with ill-advised propaganda that if South Korea is given a separate government it can itself unite all of Korea and solve all the international problems without outside help.

I wish to point out to all Koreans the following facts:

1. Korea was freed from Japanese rule by the lives, blood, and power of the Allied powers. These Allied powers have pledged Korean independence.

2. Negotiations are now under way to reconvene the joint U. S. - Soviet Commission to establish a Korean provisional government in accordance with solemn international agreement.¹ There is no change in the American stand for freedom of expression by the Korean people in the formation of their government.

3. Through internal dissension and ill-advised political activity on the part of several Koreans

who disregarded international aspects during sessions of the joint commission last spring, the establishment of a Korean provisional government has already been delayed several months.

4. Public opinion abroad, among those Allied powers interested in Korean independence, is building up favorably to the Korean cause and is accompanied by a desire to see prompt action for progress toward independence.

5. The United States Government has publicly and repeatedly pledged the independence of Korea and is making every effort to bring that about.

6. The Americans are well aware of and deeply concerned over the delay of progress toward Korean independence and are making renewed efforts to speed it up. We need no demonstrations and disorders to prove that Koreans want independence.

7. Any precipitate action on the part of ill-advised groups in South Korea can only operate to alienate the good-will of the nations most interested in your cause and may convince them that Korea is not ready for independence because her people will not cooperate with the machinery now set up to provide for it.

I, as well as the people of the United States, whose interest in Korea is increasing, would regret extremely any outward demonstrations and actions by the good Korean people which would injure their chances of independence. I shall do everything I can to prevent any misunderstanding, but I remind the Korean people that disorders, violence, and false propaganda within your nation can only cause the nation pledging your independence to distrust your motives and bring serious injury to your national aspirations.

In addition, ill-advised actions by Korean groups may operate against the interest of Korea in future international conferences.

¹ BULLETIN of Jan. 19, 1947, p. 128, and Jan. 26, 1947, p. 168.

Control of Documents Removed From German Diplomatic Establishments in U. S.¹

By virtue of the authority vested in me by Executive Order 9760 dated July 23, 1946 (11 F. R. 7999),² and pursuant to law, the undersigned, after appropriate investigation and consultation, finding:

(1) That members of the staffs of former German diplomatic and consular establishments in the United States had included within the baggage, personal effects and household goods stored in various warehouses in the United States, to which the Secretary of State had made reference in a General Supervisory Order (Public Notice 170, issued July 25, 1946), books, documents, papers, photographs, maps, films, ledgers, files, and various other items believed to contain information concerning German activities in the United States, together with radios and other equipment believed to have been used to facilitate communications concerning German activities in the United States;

(2) That under the provisions of law and for the security and safety of the United States in

wartime it was deemed advisable to remove all such books, documents, papers, photographs, maps, films, radios, and other pertinent materials for investigation and study by appropriate agencies of this Government;

(3) That it is necessary in the interest of national security,

hereby undertakes the direction, management, supervision, maintenance, and control, to the extent deemed necessary and advisable from time to time by the undersigned, of the property referred to above.

The action taken herein shall not be construed to limit the power of the Secretary of State to vary the extent of such direction, management, supervision, maintenance, or control, or to terminate the same.

Issued this 14th day of January 1947.

JAMES F. BYRNES,
Secretary of State.

Project on Publication of German War Documents³

The Department of State and the British Foreign Office have agreed that the publication of German Foreign Office records and other related documents in their possession shall be entrusted to eminent historical scholars. The scholars have been granted free access to the German archives and will select for publication all documents which, in their judgment, are essential to an understanding of German foreign policy before and during World War II.

These records are now in joint Anglo-American custody in Berlin, where for over a year a team of specialists has been microfilming the more important documents. The British and American Governments are now taking the unprecedented step of making these documents available to historians of high reputation and have asked that they be

guided in their task of preparing the material for publication solely by considerations of scholarship.

The British editor, John W. Wheeler-Bennett of Oxford University, and the American editor, Raymond J. Sontag of the University of California, met in Berlin during December and agreed upon a tentative schedule of publication, concentrating first on the volumes covering the years 1937-1941. The editors-in-chief will be assisted by other historians, some of whom will make the preliminary selection in Berlin; others will assist in the task of preparing the material for publication. The volumes will be published first in the original German.

¹ 12 *Federal Register* 402.

² BULLETIN of Aug. 4, 1946, p. 237.

³ Released to the press simultaneously in London and Washington on Jan. 22, 1947.

Grain Shipments for Relief to Italy

[Released to the press by the White House January 25]

Text of letter from the President to Enrico de Nicola, Provisional President of the Italian Republic, Rome

January 20, 1947

MY DEAR MR. PRESIDENT:

Upon the occasion of the departure from the United States of Prime Minister De Gasperi, I should like to reassure you, Mr. President, that the United States Government is constantly mindful of the economic difficulties with which the Italian Government is faced and that sincere efforts are being made by our officials to find means to alleviate your country's most urgent needs.

Signor De Gasperi's recent visit in Washington has afforded us a most pleasurable opportunity to review questions of interest to our two Governments. In particular, our officials have received a better understanding of Italy's present requirements and of the outstanding job of reconstruction which your Government and people are undertaking.

In your communication of November 26, 1946, you informed me of the grave emergency with which your Government was confronted due to difficulties in the fulfillment of the UNRRA grain program. That problem has been receiving the most urgent attention of our officials and remains under constant consideration and review. I have authorized a number of emergency measures to ensure that every possible effort shall be made to expedite the delivery of grains to the peoples of the war-torn countries of Europe and Asia. As we have informed Signor De Gasperi, shipments of wheat have been diverted from other areas to meet the immediate requirements of Italy, and we have every expectation of being able to increase scheduled shipments of wheat to Italy beginning next month. Your Prime Minister will inform you of the other measures discussed with him which we fully anticipate will prove mutually beneficial to our two countries.

The American people have many close bonds with the Italian people and it is our sincere desire, in a spirit of fraternal cooperation, to do what we can to assist your country in its efforts to

rebuild and strengthen a peaceful, prosperous and democratic Italy.

Very sincerely yours,

HARRY S. TRUMAN

Request for Extradition of Former Soviet Trade Representative Denied

[Released to the press January 21]

Text of a communication handed by Llewellyn E. Thompson, Jr., Chief of the Division of Eastern European Affairs, to Vassili A. Tarassenko, Counselor of the Soviet Embassy at Washington, on January 20, 1947

The Secretary of State refers to an *aide-mémoire* concerning the former employee of the Soviet Trade Representative in Mexico, Mr. Kirill Alekseev, which was handed to Mr. Hickerson, Acting Director of the Office of European Affairs, by Mr. Fedor T. Orekhov, Counselor of the Embassy of the Union of Soviet Socialist Republics, on January 4, 1947.¹ The *aide-mémoire* communicates a report from the Embassy of the Union of Soviet Socialist Republics in Mexico to the effect that Mr. Alekseev embezzled State funds in Mexico which resulted in his recall to the Soviet Union for the purpose of bringing him to trial and requests that if Mr. Alekseev be in the United States he be turned over to the Soviet authorities as a criminal.

The *aide-mémoire* of the Embassy of the Soviet Union appears to be in the nature of a request for the extradition of Mr. Alekseev. It is a well-established principle of international law that no right to extradition exists apart from treaty. No extradition treaty exists between the United States and the Soviet Union. Moreover, the Supreme Court of the United States has stated that under the domestic law of the United States the power to provide for extradition is not confided to the Executive Branch of the Government in the absence of treaty or legislative provision and that existing legislation does not confer power upon the Executive to surrender a person to a foreign government where an extradition treaty does not provide for such surrender. The Department is accordingly unable to comply with the Embassy's request that Mr. Alekseev be turned over to Soviet authorities.

DEPARTMENT OF STATE

Washington, D. C.

¹ Not printed.

Extension of Inter-American Coffee Agreement¹

PRESIDENT'S LETTER OF TRANSMITTAL

THE WHITE HOUSE, *January 20, 1947.*
To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith, in certified form, a protocol to extend for 1 year from October 1, 1946, subject to certain conditions, the inter-American coffee agreement, signed in Washington on November 28, 1940. The protocol was open for signature at the Pan American Union in Washington from September 3, 1946, until November 1, 1946, and during that period was signed for the United States of America, "subject to ratification," and for the 14 other American Republics which became parties to the inter-American coffee agreement.

I transmit also, for the information of the Senate, a report on the protocol made to me by the Secretary of State.

In view of the fact that the previous extension of the agreement expired on October 1, 1946, and inasmuch as the present protocol will extend the agreement for only 1 year from that date, I should be grateful for early consideration of the protocol by the Senate.

HARRY S. TRUMAN

(Enclosures: (1) Report of the Secretary of State; (2) protocol extending the inter-American coffee agreement—certified copies in the English, Spanish, Portuguese, and French languages.²)

REPORT OF THE SECRETARY OF STATE

DEPARTMENT OF STATE,
Washington, January 17, 1947.

THE PRESIDENT,
The White House:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a certified copy of a protocol to extend for 1 year from October 1, 1946, subject to certain conditions, the inter-American coffee agreement, signed in Washington on November 28, 1940. The protocol, in accordance with the provisions of article 4 thereof, was open for signature at the Pan American Union in Washington from September 3, 1946, until November 1, 1946, and during that period was signed for the United States of America, "subject to ratification," and for the 14 other American Republics which became parties to the inter-American coffee agreement.

The protocol retains the framework of the inter-American coffee agreement for a 1-year period but suspends the provisions of articles I to VIII, inclusive, of that agreement, which relate to coffee quotas, with the exception that under emergency conditions such articles of the agreement shall again become effective upon a motion approved by at least 95 percent of the total vote of the Inter-American Coffee Board.

Article 3 of the protocol provides that the Inter-American Coffee Board shall undertake to complete by March 31, 1947, a thorough analysis of the world coffee situation and shall formulate recommendations for the consideration of the governments now participating in the agreement and of other governments that might be interested in participating in a revised agreement regarding the type of international cooperation that appears most likely to contribute to the development of sound, prosperous conditions in international trade in coffee equitable for both producers and consumers.

The 1-year extension provided for by the protocol has been recommended by an interdepartmental committee consisting of representatives of the interested agencies of the United States Government, and that recommendation approved by the Executive Committee on Economic Foreign Policy. The domestic coffee trade has indicated that it considers the extension of the agreement for 1 year under the terms set forth in the protocol to be a desirable measure.

Information on the background and purposes of the coffee agreement is set forth in the report of January 8, 1941, by the Secretary of State to the President (S. Exec. A, 77th Cong., 1st sess.).

¹ S. Exec. B, 80th Cong., 1st sess.

² Protocol not printed.

Advice and consent to ratification of the coffee agreement was given by the Senate on February 3, 1941. This agreement was ratified by the President on February 12, 1941, and the instrument of ratification by the United States deposited with the Pan American Union on April 14, 1941. On April 15, 1941, a protocol was signed at Washington, bringing the agreement into force on April 16, 1941, among the governments which had at that time deposited ratifications or approvals of the agreement. The Congress of the United States, by joint resolution approved April 11, 1941, provided for the carrying out of the obligations of the United States under the agreement on and after the entry into force of the agreement and during the continuation in force of the obligations of the United States thereunder (55 Stat. 133).

The agreement, which was to expire on October 1, 1943, was twice extended without modification for 1-year periods by unanimous approval of the signatory countries. That action was taken pursuant to the provisions of article XXIV of the agreement, which authorize the continuation of the agreement upon acceptance by all participating governments of a recommendation by the Inter-American Coffee Board that the duration of the agreement be extended. By a protocol open for signature at the Pan American Union from September 1, 1945, until November 1, 1945, the agreement was extended, with certain modifications, for a further 1-year period from October 1, 1945. Those extensions also were approved by the domestic coffee trade.

Inasmuch as the previous extension of the agreement expired on October 1, 1946, and in view of the fact that the present protocol will extend the agreement for only 1 year from that date, the Department of State recommends its early approval by the Government of the United States of America.

Respectfully submitted.

JAMES F. BYRNES

(Enclosure: Protocol extending the inter-American coffee agreement—certified copy in the English, Spanish, Portuguese, and French languages.¹)

¹ Not printed.

² For text of agreement, see Department of State press release 56 of Jan. 23, 1947.

Remains of Late Pedro Leao Velloso To Be Transported to Brazil

[Released to the press January 23]

The Brazilian Ambassador has been informed of the desire of the United States Government to convey to Brazil in a U.S. military plane the remains of Ambassador Pedro Leão Velloso as a special honor in recognition of Mr. Velloso's great friendship for the United States and his invaluable cooperation in the war effort during the time he was Secretary General of the Foreign Office and later Minister of Foreign Affairs of Brazil. Mr. Velloso was, at the time of his death in New York on January 16, the representative of his country to the United Nations and a member of the United Nations Security Council.

Argentine Decree Eliminates Enemy Control of Firms

[Released to the press January 25]

This Government has learned of the promulgation of a decree by the Government of Argentina eliminating enemy ownership and control of a large number of enemy spearhead firms. This is an important step and comes as a welcome addition to the measures already taken in respect of Nazi educational and other institutions.

Consultations are continuing with the Government of Argentina in respect of enemy agents.

Air-Transport Agreement With Ecuador²

The Department of State announced on January 23 the conclusion of a bilateral air-transport agreement between the Government of the United States and the Government of the Republic of Ecuador, signed in Quito on January 8, 1947. The agreement was signed for the United States by Ambassador Robert McGregor Scotten and for the Republic of Ecuador by the Acting Minister of Foreign Affairs, Enrique Arízaga Toral. The American Ambassador was assisted in the negotiations by John O. Bell, Assistant Chief, Aviation Division, Department of State.

Stanley Tylman To Lecture in Bolivia on Dentistry

Dr. Stanley Daniel Tylman, professor of prosthetic dentistry in the College of Dentistry, University of Illinois, Chicago, has received a grant-in-aid from the Department to enable him to lecture in the field of dentistry before various dental groups in Bolivia.

Dr. Tylman left on January 3, 1947 for Bolivia, where he will remain approximately four months. He plans to deliver lectures and hold clinics in various other American republics prior to returning to the United States.

John E. Peurifoy Appointed Deputy Assistant Secretary of State for Administration

The Secretary of State announced on January 23 the appointment of John E. Peurifoy as Deputy Assistant Secretary of State for administration with authority to act as such Assistant Secretary of State.

Since March 1946 Mr. Peurifoy has served as Special Assistant to Under Secretary of State Dean Acheson. He previously served as Deputy Director, Office of International Information and Cultural Affairs, and Special Assistant, Office of Public Affairs, 1945-46.

UNRRA Operations: Ninth Quarterly Report¹

PRESIDENT'S LETTER OF TRANSMITTAL

To the Congress of the United States of America:

I am transmitting herewith the ninth quarterly report covering the operations of UNRRA and the expenditure of funds appropriated by the Congress for this purpose.

During the quarter under review the United States completed its contribution of \$2,700,000,000 to the work of UNRRA, a figure which represents 2 percent of our national income and 72 percent of the total resources of UNRRA. Estimated shipments from the United States during the quarter of 3,596,517 tons were valued at approximately \$284,915,000 and represented approximately 77 percent and 71 percent respectively of UNRRA's total shipments for the quarter. Through the quarter under review total UNRRA shipments were approximately 16,723,342 tons valued at approximately \$2,045,035,000, of which the United States provided 12,221,488 tons (73 percent) valued at approximately \$1,438,987,000 (70 percent).

An important matter to which I should like to call the particular attention of the Congress is that concerned with the resolutions passed at the Fifth Council Session of UNRRA in Geneva last August. The several resolutions express the views of the Council at that time with respect to the problem of fully liquidating the UNRRA organization and with the disposition of its assets.

These matters were also scheduled for further

discussion at the Sixth Council Session convened in Washington on December 10, 1946.

The United Nations are actively discussing the care of displaced persons after UNRRA ceases its operations. Further discussion by the United Nations is concerned with the problem of post-UNRRA relief in 1947 for those countries which may not, even after UNRRA completes its great work, be able to take care of their own needs. UNRRA deliveries of relief and rehabilitation supplies in 1947 may well amount to \$750,000,000 and it is therefore unlikely that more than a few of the liberated areas will require further free assistance. The proposal of the State Department is that the spot problems of urgent relief needs in 1947 be met by each supplying government entering into arrangements directly with those requiring assistance and that the Secretariat of the United Nations be used as a central point for exchanging and pooling information on the part of all member governments. With this approach to the problem of relief in 1947 I am in full accord.

With the next report to the Congress it will be possible to provide a clearer picture of the plans for the liquidation of UNRRA and the provision for post-UNRRA relief needs in 1947.

HARRY S. TRUMAN

THE WHITE HOUSE
December 23, 1946

¹ H. Doc. 40, 80th Cong.

"The International Control of Atomic Energy: Growth of a Policy"

[Released to the press January 16]

The Department of State released on January 16 an account of the policy of this Government on atomic energy. This publication is entitled *International Control of Atomic Energy: Growth of a Policy*¹ and was prepared in the Office of Public Affairs. It follows an earlier and more technical pamphlet, *International Control of Atomic Energy: Scientific Information Transmitted to the United Nations Atomic Energy Commission, June 14, 1946 - October 14, 1946*,² which was compiled in the Office of the United States Representative on the Atomic Energy Commission.

The first section of the book is a narrative record of official declarations and proposals relating to the international control of atomic energy made between August 6, 1945, the historic day on which Hiroshima was bombed, and October 15, 1946, when Committee No. 2 of the United Nations Atomic Energy Commission, charged with drawing up specific recommendations on measures of control, and having unanimously adopted the report of the Scientific and Technical Committee, began a new phase of informal discussions. There is a wealth of material here, woven together in such a way as to reveal the gradual working out of the United States position. There are excerpts from Presidential statements, reports of the Secretary of War's Committee, findings of the Special Senate Committee, the Acheson-Lilienthal report, and the three United States memoranda to the United Nations Commission.

The second section of the book is a series of 24 appendixes presenting the complete documentary evidence upon which the narrative record is based. Following statements of such official spokesmen as President Truman, Secretary of State Byrnes, Secretary of War Patterson, Senator Connally, Mr. Baruch, and Mr. Hancock are the texts of three important memoranda, statements from the records of the meetings of the Atomic Energy Commission, Mr. Gromyko's proposals to the Commission, and the summary records of Committee No. 2.

Particularly significant is the last appendix, the

¹ Department of State publication 2702.

² Department of State publication 2661.

full report of the Scientific and Technical Committee of the United Nations Atomic Energy Commission on the scientific and technical aspects of the control of atomic energy, unanimously adopted on September 26, 1946, by representatives of the 12 countries on the Atomic Energy Commission.

The pamphlet will be sold by the Superintendent of Documents, Washington 25, D. C., for 45 cents a copy, with a 25 percent discount to purchasers of 100 copies or more.

U. S. - Canadian Discussions on Water Resources

[Released to the press January 22]

A meeting was held in Washington on January 20 and 21 for the purpose of enabling technical representatives of the United States and Canadian Governments to conduct preliminary discussions of the advisability of a joint investigation, to be conducted by engineers on both sides of the border, looking toward the most advantageous employment of the water resources of the two countries in the general areas along the boundary between the Continental Divide on the west and the Red River of the North on the east.

The meeting adjourned in order to permit further study by the appropriate authorities in the two countries.

Radio Broadcast on "Keeping the Record Straight on America Overseas"

On January 25 William T. Stone, Director of the Office of International Information and Cultural Affairs, Frank R. Shea, Chief of the United States Information Service in Bucharest, and Maurice S. Rice, Chief of the Eastern European Branch, OIC, discussed with Sterling Fisher, director of the NBC University of the Air, the subject of dissemination of information about the United States abroad. This program was one in a series entitled "Our Foreign Policy" presented by the NBC University of the Air. For a complete text of the program, see Department of State press release 62 of January 25, 1947.

Tour of New Zealand Botany and Zoology Students

[Released to the press January 25]

A group of 12 New Zealand students is expected to arrive at Norfolk, Virginia, on January 25 aboard the *Port Hobart* to begin a tour of universities in the United States and Canada. These students have specialized in botany and zoology—7 are graduate students, 5 undergraduates—and are particularly interested in inspecting laboratory equipment and teaching methods used in American universities in these two fields of study. Among the cities included in their present itinerary are Washington, New York, Boston, Detroit, Chicago, and Seattle; tentative arrangements provide for visits to the University of Maryland, Columbia University, Vassar College, the Marine Biological Research Laboratory at Woods Hole, Massachusetts, Wellesley College, Tufts College, Harvard University, the University of Chicago, and the University of Washington.

The tour is sponsored by the Victoria University College Biological Society, and the New Zealand Legation is assisting in arranging for travel and accommodations. The Institute of International Education in cooperation with the English Speaking Union is completing arrangements with the various universities and institutes that will be visited. The services of the Department have been made available to facilitate the progress of the tour where possible.

This visit constitutes the first New Zealand cultural project of this sort involving the United States. It is expected that cultural interchange with New Zealand will assume increasing importance in the future, particularly as agreements are effected between the two Governments for implementing the provisions of Public Law 584 (the Fulbright Act).

Erratum

In the BULLETIN of January 5, 1947, p. 24, under the article entitled "Venezuela Signs Articles of Agreement of International Fund and International Bank," the date of the signing by Venezuela of the Articles of Agreement was erroneously given as December 3. The correct date is December 30, 1946.

Effect on Aliens Seeking Entrance to U. S. of Proclamation of Cessation of Hostilities

[Released to the press January 24]

The President's proclamation no. 2714 of December 31, 1946 proclaiming "the cessation of hostilities of World War II, effective twelve o'clock noon, December 31, 1946"¹ affects certain aliens seeking to enter the United States under the act of December 28, 1945, which was passed by Congress to expedite the admission into the United States of alien spouses and alien minor children of United States citizen members of the United States armed forces. The proclamation also affects aliens seeking to come to the United States under the act of June 29, 1946, which was enacted by Congress to facilitate the admission into the United States of the alien fiancées and fiancés of United States citizen members of the armed forces of the United States.

The spouses, children, fiancées, and fiancés of citizens of the United States will, provided the citizens served in the armed forces of this country within the period commencing with the date specified in the respective act and ending at 12 o'clock noon December 31, 1946, still be eligible for the benefits conferred by the acts of Congress above-mentioned.

The alien spouse, child, fiancée, or fiancé of a citizen of the United States, if such citizen was inducted into the armed forces of this country subsequent to noon of December 31, 1946, would not be entitled to the benefits conferred by either of the above-mentioned acts.

Since the act of June 29, 1946 (Fiancée's Act) authorizes the admission "on or before July 1, 1947," as non-immigrant, temporary visitors, of alien fiancées and fiancés chargeable to oversubscribed quotas, the Department of State has instructed all diplomatic and consular officers to take appropriate steps to facilitate the issuance of visas to all qualified applicants under this act to permit their arrival in the United States on or before July 1, 1947.

¹ BULLETIN of Jan. 12, 1947, p. 77.

Railway-Mounted Power Train Leased to Mexico

[Released to the press on January 17]

In order to remedy a serious electric-power shortage in the Guanajuato region of Mexico, the Government of the United States has agreed to lease to the Mexican Government, at the latter's urgent request, a 10,000 kilowatt railway-mounted electric-power generator, the Department of State announced on January 17. The transaction was authorized by a presidential directive to the Secretary of the Navy dated January 3, 1947, and was made effective by an agreement dated January 17, 1947 between the Department of State and the Chargé d'Affaires of Mexico in Washington.

The power shortage in the Guanajuato district in central Mexico has been causing such serious curtailments in textile and other essential industries of the region, as well as in irrigation used in the production of basic food crops, that the administration of President Miguel Alemán, which took office on December 1, 1946, immediately requested the American Ambassador in Mexico City to urge early assistance from the Government of the United States. The Mexican Government pointed out that the shortage was caused by unusually small rainfall which has drastically reduced hydroelectric power production and by the inability of American manufacturers, with whom Mexican orders for steam electric generators have been on order for more than a year, to make delivery before 1948 because of a heavy backlog of orders. The emergency situation in Mexico was made more acute by the deterioration through excessive use of power-generating plants during the war period when all of the country's production facilities were strained to the utmost.

In the final act of the Chapultepec conference, which met on February 21, 1945, the nations of this hemisphere that produce machinery and other manufactured goods committed themselves to give all possible assistance to the other American republics in their efforts to renew their industrial equipment which had been worn out through intensive operation in connection with the war effort. This idea of mutual assistance was the guiding principle of the negotiation between the two Governments which terminated with the leasing

of the power train to Mexico. In President Truman's directive, reference is made to the final act of the Chapultepec conference.

The resulting agreement between the two Governments provides that the train, one of two which the Navy Department acquired early in the war to meet possible emergency defense situations in the United States, may proceed immediately to Salamanca, Mexico, where its output will be channeled into the Guanajuato system which provides power for several important manufacturing centers, for extensive irrigation, and for domestic services in the States of Guanajuato, San Luis Potosí, and Querétaro. Five Navy Department civilian technicians will accompany the train to supervise its installation and operation at Salamanca and to instruct Mexican power technicians in its operation. The Mexican Government is to reimburse the United States Government for the services of these technicians and to meet other obligations which are the same as those governing the lease of the other Navy-owned train to the Salt River Water Users Association in Arizona.

The Government of Mexico has expressed its appreciation to the United States Government for the action taken which it characterizes as further proof of the cooperative spirit of the United States Government.

Members of Joint American-Philippine Financial Commission

The Department of State announced on January 16 the appointment of the two American members of the Joint American-Philippine Financial Commission: Arthur W. Stuart, Division of Monetary Research, Treasury Department; and John Exter, Division of Research and Statistics, Federal Reserve Board.

They will serve on the Commission with American Co-Chairman Edgar G. Crossman, whose appointment was announced last week.¹

The American Embassy at Manila has notified the Department that the Co-Chairman and members of the Philippine section of the Commission are:

Miguel Cuaderno, Co-Chairman, and Secretary of Finance of the Philippine Republic; Pio Pedrosa, Budget Commissioner; and Vicente Carmona, president of the Philippine National Bank.

¹ BULLETIN of Jan. 19, 1947, p. 130.

THE DEPARTMENT

THE FOREIGN SERVICE

Appointment of Officers

Charles M. Hulten as Deputy to Assistant Secretary, Office of Assistant Secretary for Public Affairs, effective December 15, 1946.

G. Bernard Noble as Chief, Division of Historical Policy Research, effective December 29, 1946.

W. Park Armstrong, Jr., as Deputy to Special Assistant, Office of Special Assistant for Research and Intelligence, effective December 29, 1946.

THE CONGRESS

Twenty-Third Report to Congress on Lend-Lease Operations: Message from the President of the United States transmitting the twenty-third report of operations under the Lend-Lease Act. H. Doc. 41, 80th Cong. 76 pp.

Eighth Report to Congress on Operations of UNRRA: Message from the President of the United States transmitting the eighth quarterly report covering the operations of UNRRA and expenditure of funds appropriated by the Congress on a cumulative basis as of June 30, 1946. H. Doc. 39, 80th Cong. 68 pp.

Ninth Report to Congress on Operations of UNRRA: Message from the President of the United States transmitting the ninth quarterly report covering the operations of UNRRA and the expenditure of funds appropriated by the Congress for this purpose. H. Doc. 40, 80th Cong. 42 pp.

Report with Respect to United States Participation in World Bank: Message from the President of the United States transmitting report by the National Advisory Council on International Monetary and Financial Problems with Respect to the participation of the United States in the International Bank for Reconstruction and Development and in the International Monetary Fund to Oct. 31, 1946. H. Doc. 53, 80th Cong. 10 pp.

Foreign Commerce Weekly

The following article of interest to BULLETIN readers appeared in the January 11, 1947 issue of *Foreign Commerce Weekly*, a publication of the Department of Commerce, copies of which may be obtained from the Superintendent of Documents, Government Printing Office, for 15 cents each:

"Cuba's Poultry and Eggs: Trade Shows Sharp Shifts", based on a report from the American Embassy in Habana.

Confirmations

On January 13 the Senate confirmed the following nominations:

O. Max Gardner, to be Ambassador Extraordinary and Plenipotentiary to Great Britain.

S. Pinkney Tuck, to be Ambassador Extraordinary and Plenipotentiary to Egypt.

George Wadsworth, to be Ambassador Extraordinary and Plenipotentiary to Iraq.

Lowell C. Pinkerton, to be Envoy Extraordinary and Minister Plenipotentiary to the Republic of Lebanon.

J. Rives Childs, now Envoy Extraordinary and Minister Plenipotentiary to Saudi Arabia, to serve concurrently and without additional compensation as Envoy Extraordinary and Minister Plenipotentiary to the Kingdom of Yemen.

Consular Offices

The American Consulate at Zagreb, Yugoslavia, was opened to the public on January 6, 1947.

ANNOUNCEMENT

Official Daily Service:



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Contributors

Martha H. Biehle, author of the article on the sixth plenary session of the Intergovernmental Committee on Refugees, is U.S. resident representative on that Committee.

The Department of State

bulletin

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February 9, 1947

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THE BEGINNINGS OF SELF-GOVERNMENT IN THE AMERICAN ZONE OF GERMANY

by Velma Hastings Cassidy

The development of self-responsibility in the German people through democratic processes has been a guiding principle of Military Government in the American zone of Germany. The following article traces the progressive organizational steps taken by the American Military Government, as the instrument of American occupation policy, to lay the foundation of democratic German government in each of the three states (Länder) in the American zone.

On November 24 and December 1, 1946 a page of German history was turned: The people of Bavaria, Württemberg-Baden, and Greater Hesse, the three states of the American zone in Germany, adopted constitutions which the popularly elected assemblies had drawn up and which the American Military Government had approved. Each state was constituted as a parliamentary republic governed by a *Landtag* (legislative assembly, elected by proportional representation), a Minister-President (elected by the *Landtag*), and a Cabinet (appointed by the Minister-President).

The steadily increasing transfer to the German authorities of governmental responsibilities has been an outstanding characteristic of American Military Government since its inception. From the beginning of the occupation of Germany by Allied forces shortly after the capitulation of the Reich on May 8, 1945,¹ detailed controls of Military Government (MG) in the American zone, which in the initial post-defeat period were maintained over every unit of German civil administration, have been progressively withdrawn as the German people showed themselves ready for democratic self-government. German civil machinery has been built from the ground up on the principle

that, as stated by the Military Governor (Gen. Joseph T. McNarney), "the way to learn democracy is by applying it".

The constitutions having now been adopted in the three states, MG controls will be relaxed so that, in principle, Germans may govern themselves without MG participation. Only the measures concerned with reparations, demilitarization, punishment of war criminals, treatment of displaced persons, and possibly certain aspects of de-Nazification will remain under the direct administration of MG. The activities of MG with regard to civil administration will generally be limited to a supervisory process of review, observation, and advice.

The relaxation of controls to this extent does not in any way mean a relaxation of measures to achieve realization of the principal purpose of the

Editor's note: This is the third in a series of articles on American policy in occupied areas; for the first article, by Assistant Secretary Hilldring, see BULLETIN of July 14, 1946, p. 47; and for the second article by Mrs. Cassidy, prepared in collaboration with the office of the Assistant Secretary for occupied areas, see BULLETIN of Aug. 18, 1946, p. 201.

¹ For text of Act of Military Surrender, see BULLETIN of July 22, 1945, p. 106.

occupation—the assurance that “Germany never again will threaten her neighbors or the peace of the world”—and the corollary negative objectives such as the elimination of Nazism and militarism in all their forms, as well as the positive objective “to prepare for the eventual reconstruction of German political life on a democratic basis and for eventual peaceful cooperation in international life by Germany”.²

MG will retain an over-all jurisdiction, and certain restrictions will continue to be imposed on the German civil governments. In giving the approval of MG to the constitutions, Lt. Gen. Lucius D. Clay, Deputy Military Governor, stated that the operation of the constitutions would be subject to general reservations of MG with regard “to the international agreements to which the United States Government is a party, to quadripartite legislation, and to the powers which Military Government must reserve in order to effectuate the basic policies of the occupation”. Specific reservations have been made to assure that American policy will be carried out in matters pertaining to de-Nazification and the Anglo-American bipartite economic program.³

Approval of the German civil governments’ actions is based upon the consonance of these actions with the objectives of American occupation policy and basic democratic principles, and not upon MG’s views as to the efficiency of the admin-

istration. The efficiency of the civil governments of the three *Länder* (states) is not the responsibility of MG except so far as a lack of efficiency interferes with the execution of the approved American policy.

In conformity with the fundamental principles of American occupation policy, the constitutions of the three independent states provide the basic pattern for a decentralized, democratic Germany and point toward the establishment of a central federal government in that country. According to a statement by General McNarney, government in Germany may be said to be “decentralized” when:

1. Power is granted primarily to the states and only in specifically enumerated and approved instances to a federal government.

2. Powers of basic political implication (e.g. the assessment of taxes and police powers) are reserved to the states, and largely administrative powers (e. g. transportation and communications control) are allocated to the Reich.

3. All residual powers are reserved to the people except as the people may delegate them to the states.

4. A substantial number of functions are delegated by the states to the counties and communities. These should include all such functions as may be effectively determined and administered by the community.

The American attitude toward the development of self-administration in the *Länder* of the U.S. zone and toward the eventual creation of a central German government has been emphasized by former Secretary Byrnes in recent addresses. At Stuttgart, on September 6, 1946, he said:

“The Potsdam Agreement did not provide that there should never be a central German government; it merely provided that for the time being there should be no central German government. Certainly this only meant that no central government should be established until some sort of democracy was rooted in the soil of Germany and some sense of local responsibility developed.

“The Potsdam Agreement wisely provided that administration of the affairs of Germany should be directed toward decentralization of the political structure and the development of local responsibility.⁴ This was not intended to prevent progress toward a central government with the powers

² For Allied and American policies relating to the occupation of Germany, see Crimea Conference communiqué, BULLETIN of Feb. 18, 1945, p. 213; Directive to Commander in Chief of United States Forces of Occupation Regarding the Military Government of Germany, usually referred to as “JCS 1067”, BULLETIN of Oct. 21, 1945, p. 596; and Report on the Tripartite Conference of Berlin, BULLETIN of Aug. 5, 1945, p. 153.

³ For text of agreement effective Jan. 1, 1947 providing for the economic integration of the U.S. and U.K. zones in Germany, see BULLETIN of Dec. 15, 1946, p. 1102.

⁴ Potsdam agreement (par. 9). The agreement specifies three measures essential to the achievement of this end: (1) local self-government shall be restored throughout Germany on democratic principles and in particular through elective councils as rapidly as is consistent with military security and the purposes of military occupation; (2) all democratic political parties with rights of assembly and of public discussion shall be allowed and encouraged throughout Germany; (3) representative and elective principles shall be introduced into regional, provincial, and state administration as rapidly as may be justified by the successful application of these principles in local self-government.

necessary to deal with matters which could be dealt with on a nation-wide basis. But it was intended to prevent the establishment of a strong central government dominating the German people instead of being responsible to their democratic will.

"It is the view of the American Government that the German people throughout Germany, under proper safeguards, should now be given the primary responsibility for the running of their own affairs."⁵

At Paris, on October 3, he stated further:

"In the American zone, we have placed great emphasis upon the development of a sense of local responsibility and have taken the lead in creating *Länder* or states so that the people will look to the states and not to a central government on all matters that do not basically require national action.

"We want to see the federal government of Germany created by the states and not the states created by the central government. If we so proceed we do not think we will find that the responsible representatives of the states will want to give excessive powers to the federal government."⁶

American Occupation Policy in Practice

From early in 1942 the Department of State together with the War and Navy Departments, the Joint Chiefs of Staff, and other interested agencies progressively formulated American policy for the occupation and control of Germany. The European Advisory Commission, which was created by the Moscow Conference of November 1943, made chiefly specific recommendations for the terms of Germany's unconditional surrender, for the delimitation of the zones of occupation in Germany, and for the inter-Allied control machinery. This commission was set up for the purpose of advising the Governments of the United States, Great Britain, and the Soviet Union on non-military problems relating to enemy territories, questions connected with the termination of hostilities, and other matters referred to it by the participating governments. Coordination of Allied policy for the control of Germany after the Potsdam Conference of July-August 1945 has fallen within the competence of the Allied Control Council at Berlin.⁷

In accordance with previously agreed plans, the boundary lines of the American, British, Soviet,

and French zones were determined on a provisional basis shortly after the surrender of Germany on May 8, 1945; the Allied forces were distributed to their ultimate zones; and the Governments of the United States, the Union of Soviet Socialist Republics, the United Kingdom, and the Provisional Government of the French Republic began the organizational groundwork for the four-power administration and control of Germany on a zonal basis.

Allied and American Control Machinery

The Allied Control Authority, composed of the Control Council, Coordinating Committee, Control Staff (Directorates), and Allied Secretariat, constitutes the supreme governing machinery for Germany. The Commanders in Chief of occupation forces in Germany of the four Allied nations comprise the Control Council, whose decisions must be unanimous on all questions affecting Germany as a whole. Each Commander in Chief is assisted by a political adviser. Subject to agreed quadripartite policies, the Commanders in Chief exercise supreme legislative, executive, and judicial authority within the respective areas occupied by forces under their command.

Gen. Joseph T. McNarney,⁸ the Commander of all American troops in the European Theater of Operations, has been the Military Governor of the U.S. zone. In the latter capacity he has been the representative of the United States on the Allied Control Council. Military Government responsibilities and activities, separate from the Army Command, are delegated to the Office of Military Government for Germany (U.S.), known as "OMGUS", which has been headed by the Deputy Military Governor, Lt. Gen. Lucius D. Clay. To assist him in the development, execution, and implementation of Military Govern-

⁵ BULLETIN of Sept. 15, 1946, p. 499.

⁶ BULLETIN of Oct. 13, 1946, p. 668.

⁷ For texts on arrangements for control of Germany by Allied representatives, see BULLETIN of Nov. 6, 1943, p. 308; June 10, 1945, p. 1051; Aug. 5, 1945, p. 153; Aug. 19, 1945, p. 275; and Oct. 7, 1945, p. 515.

⁸ It was announced by the War Department on Jan. 6, 1947 that Lt. Gen. Lucius D. Clay would succeed Gen. Joseph T. McNarney as Commanding General of the United States Forces, European Theater (USFET), and Military Governor of the U.S. zone of Germany. General Clay has served as Deputy Military Governor and U.S. representative on the Coordinating Committee for Germany since April 1945.

ment policies within the portions of Germany under American control (the U.S. zone, the Bremen enclave, and the U.S. sector of Berlin), and in the negotiation of quadripartite policy, General Clay has had special advisers on political, legal, naval, economic, financial, labor, and associated problems.

General Clay has also been a member of the Coordinating Committee, which is composed of the Deputy Military Governors of the four zones of occupation acting as the representatives of the four Commanders in Chief. The Control Council refers a majority of its problems to the Coordinating Committee for recommendation of action and refers its decisions to the Committee for implementation. Aiding the Coordinating Committee is the Control Staff, in the form of the following 12 Directorates, with four Allied heads comprising each: Military; Naval; Air; Transport; Political; Economics; Finance; Reparation, Delivery, and Restitution; Internal Affairs and Communications; Legal; Prisoners of War and Displaced Persons; and Manpower.

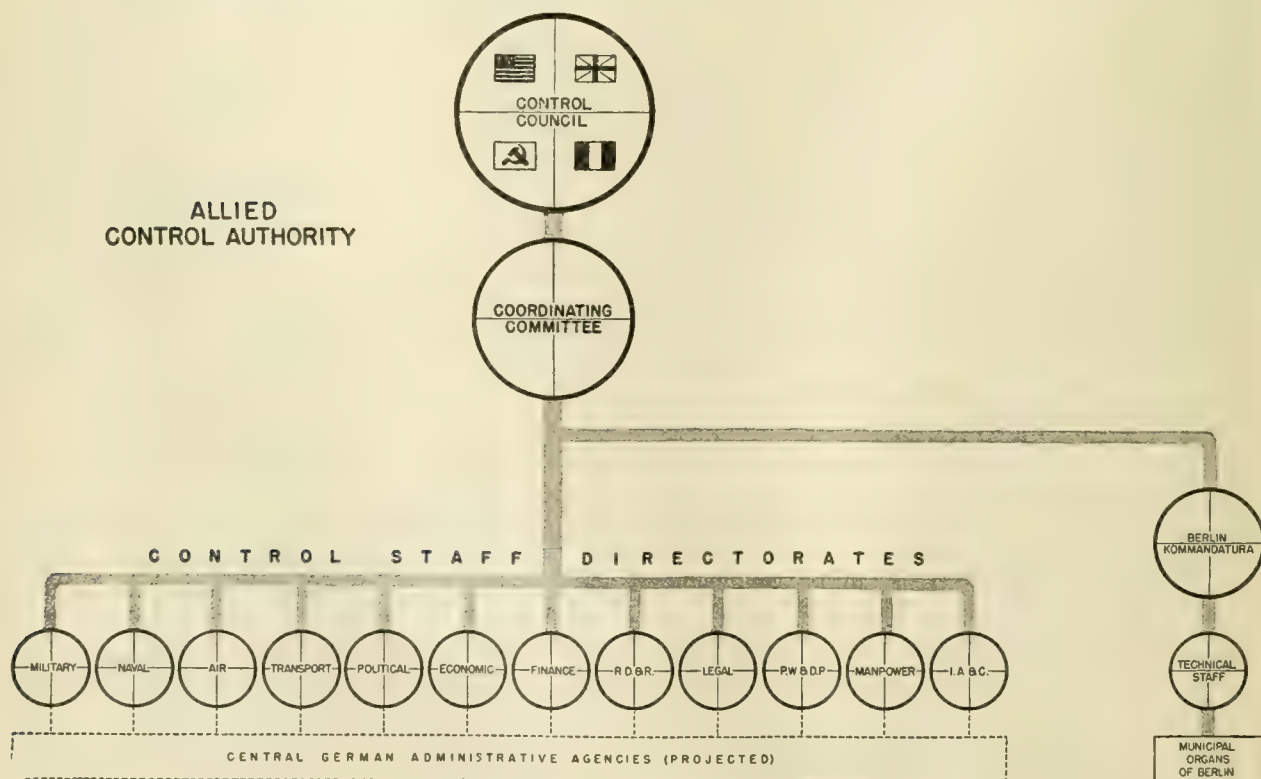
Decisions and agreements of the Allied Control

Council and the Coordinating Committee, in the various forms (laws, proclamations, orders, directives, and instructions), are dispatched for implementation, immediately upon signature, to the appropriate authorities in each zone of occupation and in Berlin to the four national elements of the Allied Secretariat. The Secretariat also prepares the agenda and minutes of meetings of the Control Council and the Coordinating Committee.

Military and Civil Government Organization (U.S. Zone)

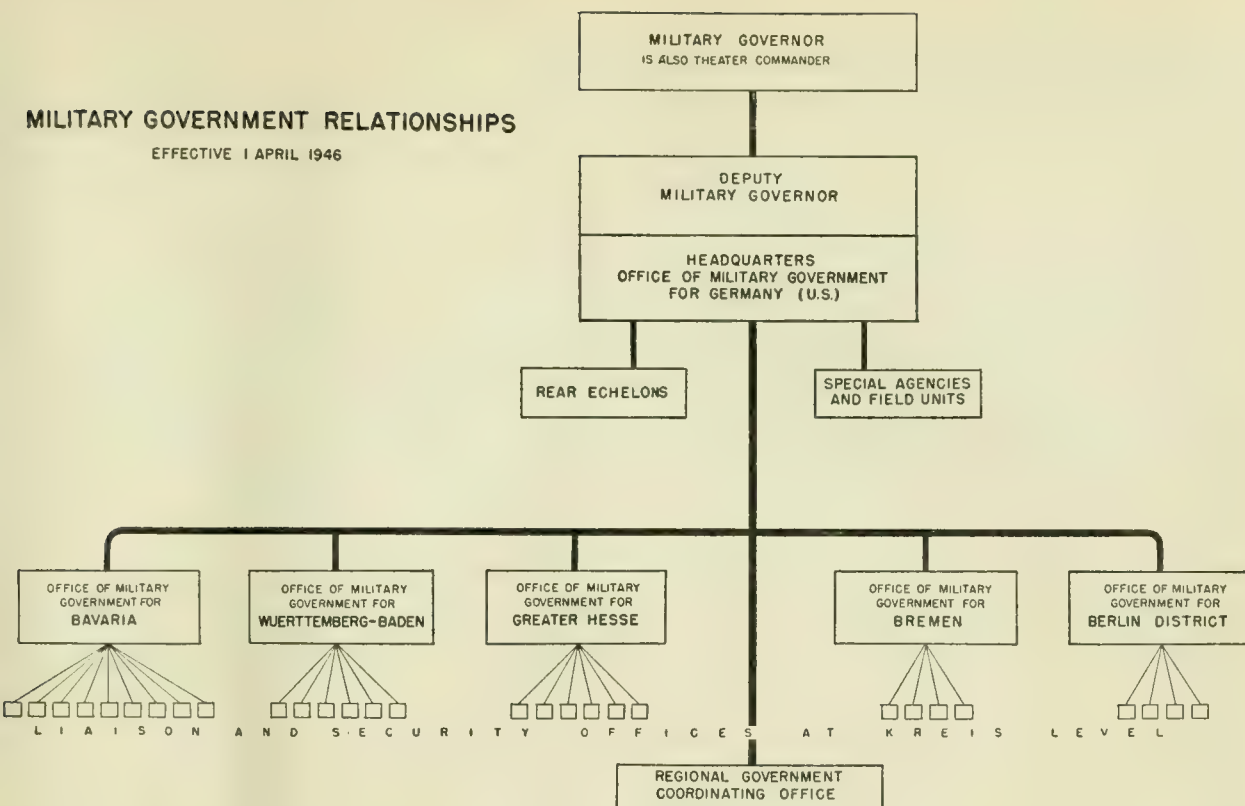
The three states, Bavaria, Württemberg-Baden, and Greater Hesse, comprising the U.S. zone are identical neither with the former, traditional German *Länder* in this region nor with the administrative units set up initially for military government after Germany surrendered.

When the French zone was established in July 1945, the boundary line dividing the American and French zones was drawn across *Land* areas as follows (causing complicated problems of govern-



MILITARY GOVERNMENT RELATIONSHIPS

EFFECTIVE 1 APRIL 1946



mental structure and administration)⁹: the *Länder* of Baden and Württemberg were divided between the two zones so that the northern portions, and the *Land* capital in each case, were included in the American zone; that part of *Land* Hesse west of the Rhine as well as the four western *Landkreise* of *Provinz* Hesse-Nassau became part of the French area, the remainder of *Land* Hesse and *Provinz* Hesse-Nassau becoming part of the American zone; and only one *Kreis* was cut from Bavaria and included in the French zone.

After three months of geographic- and governmental-structure reorganization, the formation of the three *Länder* was completed and proclaimed to the German people by Gen. Dwight D. Eisenhower on September 26, 1945.

The German civil governments of the three states in the American zone are fairly uniform on the *Land* level but vary considerably in the lower echelons, depending upon their special situation. Thus, Bavaria has five *Regierungsbezirke* and Greater Hesse has three *Regierungsbezirke* which administer a substantial number of functions, while Württemberg-Baden has a *Landesbezirk* for the administration of Baden whose departments

are identical with those of *Land* Württemberg-Baden itself and which operates under the direction of the same Minister-President. The comparative administrative areas of the three *Länder* are as follows:

Land	Area (sq. km.)	Stadt- kreise	Land- kreise	Total Kreise
Bavaria -----	75,996	22	141	163
Greater Hesse-----	22,378	9	39	48
Württemberg-Baden -----	15,631	7	28	35
	114,005	38	208	246

The Office of Military Government is composed of approximately 6,000 officers and enlisted men. This over-all strength includes the personnel engaged in quadripartite government in Berlin; in the three state capitals of Bavaria, Württemberg-Baden, and Greater Hesse; in the two cities which lie outside these states—Berlin and Bremen; and in the small field detachments, composed of four

⁹ Designations of German administrative areas and their approximate equivalents in the U. S.: *Gemeinde* (community); *Kreis* (county); *Land* (state); *Landkreis* (rural county); *Landesbezirk* (regional district); *Provinz* (province); *Regierungsbezirk* (administrative district).

representatives each, which are stationed in each of the counties in the American zone. General Clay stated at a press conference on December 13, 1946, that during the coming months more and more responsibility will be placed in German hands, and as a result the MG staff, in the next six months, will probably be cut from 6,000 to 4,000.

On assuming control of the U.S. zone after the military and governmental collapse of Germany, MG was faced with the problem of reorganizing the civil government from the bottom up. Reorganization of government above the local level was particularly important. Since most of the important functions of government under the Nazis were performed from the national level and since, in accordance with the Potsdam declaration, no central German government would be established for the time being, the intermediate, regional governments were required to assume the functions formerly exercised by the central government as well as those traditionally exercised by the regional governments. Trained MG detachments at first controlled, directed, and supervised every unit of German civil administration. The problem of reconstruction was critical and complex, since it was difficult to find capable non-Nazis to operate the governmental machinery.

The administrative responsibility for civil government has been built up carefully from the *Gemeinde*, *Landkreis*, *Stadtkreis*, and *Regierungsbezirk* levels and now rests upon the *Land* governments. These regional governments now possess full legislative, executive, and judicial power, subject only to MG authority. In accordance with American policy for decentralization of administrative authority, all those powers and functions previously exercised by the Reich have, so far as they continue in existence, devolved upon the *Länder*. Economic activities, broad social-welfare controls, and the supervision of public finances are outstanding examples of this transfer. The *Länder*, in turn, have delegated powers and functions to lower levels, e. g. *Kreis* control of police administration, formerly performed at *Regierungsbezirk* levels.

The Minister-President of each *Land* is responsible for the general conduct of affairs in his respective regional unit to the Office of Military

Government for that *Land*. The Directors commanding the Offices of Military Government for the *Länder* are, in turn, responsible to OMGUS for the supervision of German civil government.

Development of Self-Government in the *Länder*

In the initial post-defeat period, American MG operated under a set of policy directives issued by the Joint Chiefs of Staff. The report of August 2, 1945 on the Tripartite Conference of Berlin¹⁰ formalized the acceptance of most of these directives by the chiefs of state of the United Kingdom and the Union of Soviet Socialist Republics and added some new directives. By and large, the Potsdam agreement confirmed the principles upon which the MG authorities had previously been operating.

Steps were taken by MG from the first to implement the directive to decentralize the German political structure and at the same time to encourage the development of local democratic responsibilities. By the end of July 1945, modified *Land*, *Regierungsbezirk*, and local administrations had been established and were beginning to function in all areas of the U.S. zone. *Land* governments had been established with capitals at Munich (for Bavaria), Stuttgart (for Baden and Württemberg), Darmstadt (for Hesse-Nassau),¹¹ and Marburg (for Hesse). German Minister-Presidents, their cabinets, and officials of lower functional levels for each *Land* were appointed by MG and given authority for the direction and execution of all functions assigned to them, to be exercised under MG supervision.

During the ensuing few months German government and civil administration progressed along the lines of decentralization, de-Nazification, and stabilization of government. Democratization of government was developed through the elimination of Nazi influences, through the preparation for self-government under a system of free elections based on democratic local-government codes, through the use of civilian advisory committees, and through allowing carefully supervised German civil administrations to assume more internal authority as they showed themselves prepared to function on a democratic basis.

A significant milestone in the accomplishment of the objective of decentralizing the German governmental structure and destroying the overwhelming predominance of Prussia was the con-

¹⁰ BULLETIN of Aug. 5, 1945, p. 153.

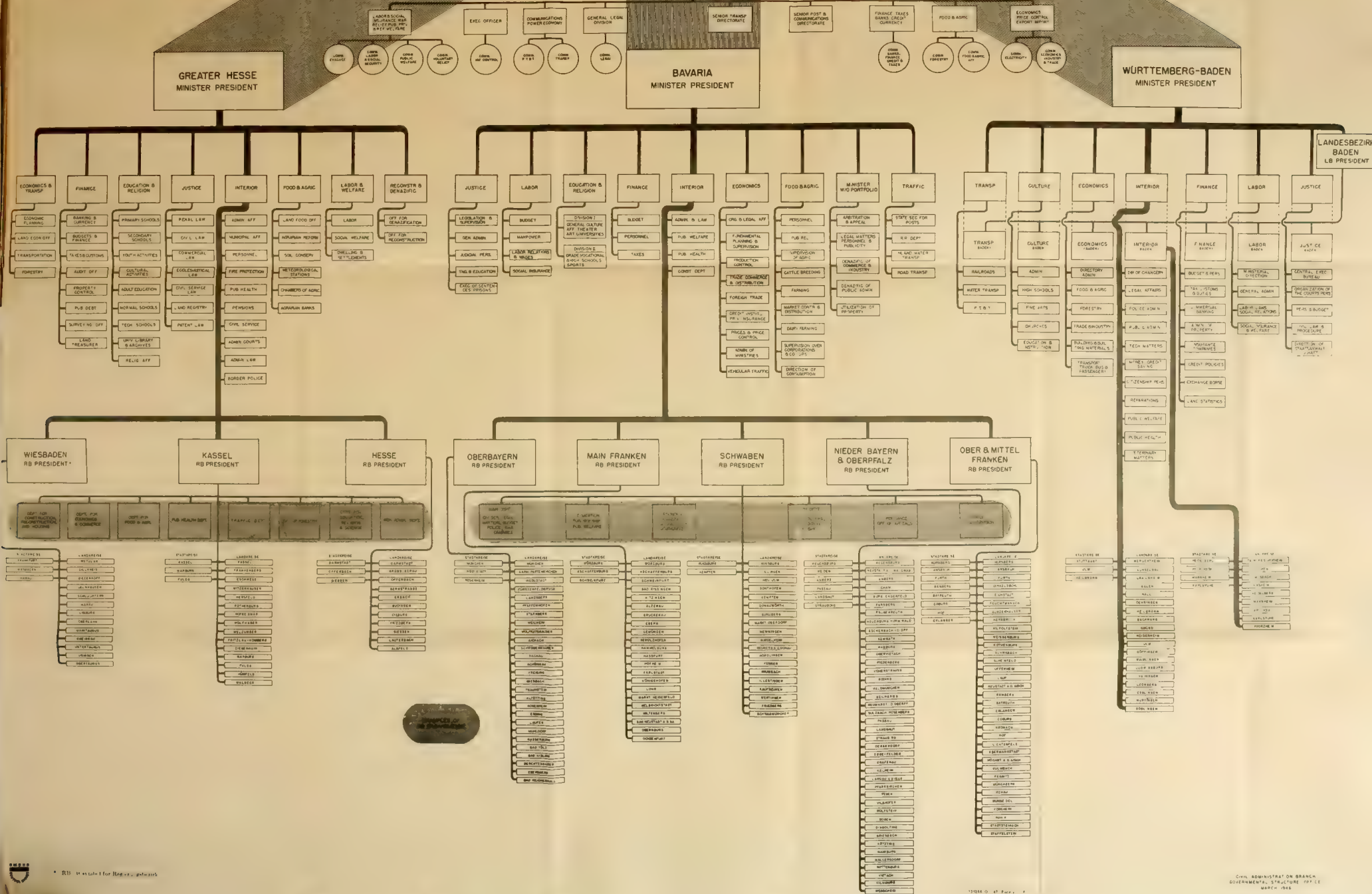
¹¹ Later the capital for Greater Hesse was established at Wiesbaden.

GERMAN CIVIL ADMINISTRATION

GREATER HESSE LÄNDER RÄT MINISTER PRESIDENT

BAVARIA MINISTER PRESIDENT

WÜRTTEMBERG-BADEN MINISTER PRESIDENT



a

solidation in September 1945 of *Land* Hesse and *Provinz* Hesse-Nassau to form the unit now known as Greater Hesse. This consolidation was made after careful study and discussions with responsible German officials had determined that the consolidation would not violate the historical integrity and traditions of *Land* Hesse, and would conform to economic, political, and geographical patterns. Unification of these two areas had been attempted several times in the past 80 years but had always met strong Prussian opposition.

Formation of Greater Hesse was found to be desirable because Hesse alone was too small to require or support a complete *Land* government—especially while having to bear the costs of an aggressive war—and because the inclusion of the former Prussian *Provinz* Hesse-Nassau in the American zone made it convenient for it to be handled by a *Land* type of government. With this consolidation a state was established which was strong enough to become a basic unit in a federal system of government, and the present zonal pattern of the three independent *Länder* was defined.

Plans were begun in September 1945 for the gradual shifting of the direct MG control exercised over local administration to the *Land* governments during the nine-month period ending in June 1946. It was expected that in progressive stages MG should withdraw military personnel from the lower governmental units, except as required for liaison and security, and deal with these units only through the *Länder* governments. At the end of this nine-month period liaison and security offices, established in place of the MG detachments, would provide for general supervision and reporting on the operation of local German civil government and for liaison between the occupational troops and civil government. It was planned, however, that OMGUS should retain general policy control and close supervision of the *Länder* governments and insure their compliance with MG directives. In fact, it was considered that controls would be more effectively maintained, since a very few German officials then would be held responsible for carrying out policies.

Accordingly, a plan was approved in September 1945 for placing greater administrative responsibility in the hands of German officials by terminating functional responsibilities of the *Landkreis* and *Stadtkreis* MG detachments by

November 15, 1945 and the *Regierungsbezirk* detachments by December 15, 1945, but continuing general supervisory functions until after the *Landkreis* elections planned for April 1946.

A schedule of spring elections for the U.S. zone, the first elections in about 14 years for all the lower levels of German civil government, was established by the September 20, 1945 MG directive. The *Länder* governments were required to prepare local government codes and proposals for election procedures, and MG officials checked the proposed codes to insure that they did not conflict with the Allied policies, and they were returned to the *Länder* governments for use as the basis of local government and elections. This series of elections opened with *Gemeinde* elections in January, continued with *Landkreis* elections in April, and closed with *Stadtkreis* elections in May 1946. The U.S. zone was the first of the four zones in Germany in which popularly based local governments have been established by free elections. Throughout the election schedule, voter participation was high. In the January elections, for example, more than 85 percent of the eligible voters in communities of less than 20,000 population went to the polls (a larger percentage than in the same area under the Weimar Republic); more than 10,000 communities elected more than 70,000 local councilors.

As early as January 1946 MG's job had become one of general supervision from the top, not one of issuing day-to-day instructions to each county, town, village, or city official. Instructions to local government, from that time on, were given only through the Minister-Presidents at *Land* level; and these instructions, for the most part, were confined to policy delineation.

The first step toward representative government at the *Land* level was taken during January 1946 with the establishment of advisory assemblies in the three *Länder*. Pending the establishment of representative legislative bodies, these advisory councils were designed to provide an initial contact between MG and the German population.

In addition, the preparation by the *Länder* in the U.S. zone of their own democratic constitutions began in January with the announcement by MG of its intention to permit the holding of assemblies for the purpose of drafting these constitutions. Each Minister-President was directed to appoint a *Land* constitutional commission to prepare a

draft constitution to be submitted to the *Land* Constitutional Assembly at its opening session. On June 30, 1946 delegates to the Constitutional Assemblies were chosen in the fourth series of elections held in the American zone.

MG did not interfere in the framing of these constitutions except to require that they provide for the maintenance of a democratic system of government. General McNarney stated in June 1946 that the following conditions must be met before any future German government will be regarded by American authorities as "democratic":

1. All political power must be recognized as originating with the people and subject to their control.

2. Those who exercise political power are obliged regularly to renew their mandates by frequent references of their programs and leadership to popular elections.

3. Popular elections must be conducted under competitive conditions in which not less than two effectively competing political parties submit their programs and candidates for public review.

4. Political parties must be democratic in character and must be recognized as voluntary associations of citizens clearly distinguished from, rather than identified with, the instrumentalities of government.

5. The basic rights of the individual, including freedom of speech, freedom of religious preference, the right of assembly, and freedom of political association, must be recognized and guaranteed.

6. Control over the instrumentalities of public opinion, such as the radio and press, must be diffused and kept free from governmental domination.

7. The rule of law must be recognized as the individual's greatest single protection against a capricious and wilful expression of governmental power, and against the arbitrary domination of agencies of government control.

Under the new constitutions the structure of each *Land* government is parliamentary in form, comprising the *Landtag* (legislative assembly), the Minister-President, and a Cabinet. The *Landtag* is elected directly by the people for a four-year term. The Minister-President is elected by the *Landtag*, and he in turn appoints and removes

the Ministers of his Cabinet. The Supreme Court of each *Land* also is elected by the Legislature.

The constitutions differ in many respects. For example, the governmental system of Bavaria is composed of two houses, the *Landtag* and the Senate. The Senate is composed of 60 members elected for 6 years by various groups such as labor unions, cooperatives, welfare organizations, and universities; it serves only in an advisory capacity but may introduce bills into the *Landtag*. The constitutions of Württemberg-Baden and Hesse contain special "non-confidence vote" clauses whereby the *Landtage* may recall the Minister-Presidents and their Cabinets; that of Bavaria does not contain such a clause. Also, the *Landtag* in Bavaria and in Württemberg-Baden, but not in Hesse, may be dissolved by a plebiscite before its term is up.

These three constitutions place strong emphasis on the protection of individual human rights. Each constitution includes a bill of rights guaranteeing freedom of speech, assembly, the press, and religion, the right of access to information, and the right of judicial protection and equality before the law.

The constitutions provide that education be both free and compulsory, and, although religious instruction is included in the curricula, the religious denomination of the individual is to be respected. Religious associations which were previously public corporations remain so under the new constitutions and retain their right to levy taxes and receive payments from the state. Provisions are made for a social-insurance system and the protection of such basic social rights as the right of labor to organize and bargain collectively within the limits of the law, and employees have the right to be represented in all matters affecting them.

Unlike those of the other *Länder*, the constitution of Bavaria provides that the basic type of school be denominational in character and that in only those communities with a mixed religious population will secular schools be organized, on parental petition. The new constitution provides for a wide degree of socialization in Bavaria by empowering the state to supervise the production and distribution of goods of vital importance to the community. The creation of private cartels and price combines is prohibited. The ownership

of public utilities, for the most part, falls to public law corporations and cooperatives.

Coordination Among the *Länder* Governments

After the formation of *Land* governmental machinery had been completed in September 1945, with the establishment of the three states and the appointment of Minister-Presidents and their staffs to govern them—Wilhelm Hoegner in Bavaria, Reinhold Maier in Württemberg-Baden, and Karl Geiler in Greater Hesse—MG could concentrate on administrative and supervisory operations. A plan was approved in the same month for coordinating the activities of the three German *Länder* governments in common administrative matters extending beyond the boundaries of the individual *Länder*, which formerly came under the direct control of the German central government, such as communication, transport, and various other political, economic, and cultural activities requiring uniform administration.

Pending the establishment of central administrative machinery for finance, industry, transport, communications, and foreign trade, as provided in the Potsdam agreement, a German organization known as the *Länderrat*, or Council of States, was planned to serve as a means of coordination within the zone and as a further step toward the restoration of German responsibility and self-government, without setting up a zonal administration.

The organization meeting of the *Länderrat* took place on October 17, 1945 in Stuttgart, under the direction of General Clay and Dr. James K. Pollock, who was then Director of the Regional Government Coordinating Office (described below). The participants included the Minister-Presidents of the three *Länder* and the Mayor of Bremen.

At the second meeting of the Minister-Presidents on November 6 the establishment was formally confirmed and the organization plan for the *Länderrat* was approved. The organization has been expanded and strengthened from time to time in order that the *Länderrat* and its numerous committees and subcommittees may absorb increasingly the new tasks and responsibilities assigned by MG.

The Council of States is composed of the Minister-Presidents of Bavaria, Greater Hesse, and Württemberg-Baden. The Mayor of Bremen takes part in *Länderrat* decisions only when inter-

ests of his area are concerned. The organization plan charges this coordinating agency with the task of cooperatively working out the problems which affect more than one state in the American zone, with removing difficulties of communication between the *Länder*, and with securing the desired uniformity in the development of political, social, economic, and cultural life in accordance with the American occupation policy. The *Länderrat* statute adopted by that body with the approval of MG in May 1946 also assigns to the *Länderrat* the function of acting as the control channel for relations with the other zones.

Subject to the approval of OMGUS, the *Länderrat* has final decision on all matters within its jurisdiction. Action in the *Länderrat* is not, however, that of a zonal government, superimposed and managed by military authority, but of three self-governing states. Policies established by the *Länderrat* are executed by the Minister-Presidents in their respective *Länder*, through their civil governments. The Council was given authority in May 1946 to take independent action on certain matters without obtaining the prior approval of MG. Excluded, of course, were major decisions and matters within the province of the Allied Control Authority.

Supervision of the *Länderrat* is maintained through the Regional Government Coordinating Office (RGCO), a separate agency of MG, located at Stuttgart, the seat of the *Länderrat*. RGCO operates under the Deputy Military Governor and consists of a Director (now Col. W. W. Dawson), a Deputy Director, and a small working staff. The policy of RGCO is not to dictate to the German officials but to recommend and advise. As a coordinating agency between MG and the German *Länderrat* and its subordinate committees, directorates, and agencies, RGCO insures that items desired by MG are placed on the agenda for consideration and action by the Council, forwards decisions and proposals of the *Länderrat* to OMGUS for approval, and transmits to the *Länderrat* notice of the action taken on such decisions and proposals.

The Secretariat of the *Länderrat* consists of a Secretary General, the permanent representatives of the Minister-Presidents, and a working staff. It serves as the channel for all matters to be presented to the *Länderrat* or its committees by either MG or German civilian sources; it draws up the

agenda for the meetings of the *Länderrat*; it prepares measures for decision and facilitates their execution; and it prepares reports and statistics requested by MG.

Numerous committees of German civilian technical advisers function under the direction of the Secretariat. The committees are appointed by the *Länderrat* subject to the approval of the RGCO. Representatives of the RGCO meet with them and advise them in the consideration of legislative and administrative matters. Practically every significant problem of political and economic life in the American zone is handled by the *Länderrat* committees.

Specific committees deal with such problems as food and agriculture, transportation, communications, finance, economics, industry, and trade. One of the most active groups has been the committee on food and agriculture, which is responsible, among other things, for the development of plans to insure the equitable distribution of food supplies throughout the American zone and for the production and processing of agricultural products. Previously, MG coordinated the activities of the *Länder* in these fields.

The Minister-Presidents, the Secretary General, and representatives of MG attend regular monthly meetings of the *Länderrat*, held at Stuttgart. Special meetings may be held upon the request of MG or of a Minister-President. Each Minister-President may have a deputy to assist him and may also call in the respective *Land* Ministers together with their functional experts under whose jurisdiction the various problems fall. Each Minister-President serves in rotation as chairman of the *Länderrat* for a period of three months.

During the interval between the regular monthly meetings of the Council, a Directorate which is composed of seven members—three special delegates for *Länderrat* affairs from the three *Land* governments, the three permanent representatives of the Minister-Presidents, and the Secretary General—meets once a week. The Directorate was established in May 1946 with authority to act in the name of the *Länderrat* on routine matters which are not of basic importance but which cannot be postponed. Important matters requiring *ad*

interim action by the *Länderrat* are decided upon by the Minister-Presidents. On the establishment of the Directorate, the *Länderrat* was for the first time enabled to concern itself exclusively with important matters of policy.

Activities of the *Länderrat*

As a school for German self-government, the *Länderrat* has provided the training ground for the assumption of governmental responsibility within a democratic framework. It has furnished the first opportunity in 15 years for German officials to practice democracy and democratic methods—the assumption of personal responsibility, the interchange of ideas, the reconciliation of conflicting interests and views, and the exercise of compromise and concession.

Since its establishment in October 1945 the *Länderrat* has proved its value in coordinating action by the three *Länder* in accordance with Allied and American policy. Considering the handicaps of establishing such an agency—which is without precedent in German political history—the variety, volume, and character of the actions taken by this body have been impressive. A review of important decisions made by the Council of States and of action taken on them by MG shows that the German officials have made good use of the organization and that they recognize its value.

These decisions cover such matters as the operation within the American zone of all railroads, waterways, highways, and postal and telecommunication services; the production, collection, and distribution of food; the establishment of *Land* Central Banks, which have taken over most of the functions formerly performed by the *Reichsbank*; the formulation and administration of the de-Nazification law; the formulation of a uniform price policy and structure; the care and disposition of refugees and expellees; and the adoption of uniform laws for the establishment of labor courts and for the licensing of newspapers, book and magazine publishers, and theatrical and musical producers.

The *Länderrat* has also served as an instrument of American policy in coordinating interzonal problems. Toward this end the first important

steps were taken in January 1946 when German officials in the American and British zones met in the *Länderrat* to discuss mutual problems. Subsequent joint discussions resulted in permanent liaison between the *Länderrat* and various civilian agencies in the British zone. Plans were discussed at the various meetings for closer cooperation and for exchange of information and representatives on such matters as legal developments in the two zones, food and agriculture administration, the standardization of statistical procedures, the evacuee problem, and uniform postal organization.

In other interzonal conferences, officials from the American, British, and French zones considered such questions as how to achieve uniformity of legislation and of administration of justice. Representatives of the *Länderrat* and the German Central Administration of the Soviet zone met for the first time in June 1946 and established six committees to discuss in detail the specific requirements of the American and Soviet zones. Three of these committees (on chemicals, metals, and textiles) held meetings late in July. These negotiations constitute the preliminary steps toward the elimination of barriers between the four zones of occupation.

As a preparatory step aimed toward the economic unification of all four zones, General McNarney stated at the July 20, 1946 meeting of the Control Council that the American Government was prepared to enter into administrative agreements with any or all of the other occupying powers in the fields of finance, transport, communications, industry, and foreign trade, for the purpose of effecting a unified economic policy with the zones which would desire it. Only the United Kingdom has to date accepted the invitation.

The progressive working out of administrative details for securing economic unification of the American and British zones will be entrusted to the *Länderrat*, representing the interests of the American zone. Preliminary agreements, now approved by the American and British Military Governments, provide for the establishment of German Bizonal Executive Committees for Economics, Food and Agriculture, Transport, and Communications and Posts, and a Joint Committee on Finance. Whereas the function of the Joint Committee on Finance will be mainly liaison and co-

ordination of planning, the Executive Committees established in the other fields will make decisions on matters specified in the Anglo-American agreement,¹² which will be valid in the two zones, subject to approval by the two Military Governments. Each of the committees consists of six members: the functional Ministers of the three *Länder* of the U.S. zone, and three representatives of the British zone nominated by the British Military Government.

Joint Anglo-American staffs will be established to communicate quadripartite policy decisions of the Allied Control Authority and to assist the German committees in carrying out their tasks. Addressing the Bizonal Executive Committee for Economics at its first meeting held recently at Minden, Westphalia, Brig. Gen. William H. Draper (American representative on the Anglo-American Bipartite Board and Director of the Economics Division of OMGUS) said:

"Military Government controls are intended as guarantees of the peaceful reconstruction of your country and not as barriers to your endeavor toward a progressive German regime."

With the establishment of executive agencies at bizonal level, the necessity for performing executive functions at zonal level in the fields specified will be greatly reduced if not entirely eliminated, and it is expected that in these fields the functions of the *Länderrat* will be exercised through its representatives on the bizonal agencies.

The acceptance of democratic constitutions by the separate states in the U.S. zone may be said to mark the end of the initial chapter of American military occupation of Germany. The American zone, comprising three autonomous German states, has been prepared to join with the British, French, and Soviet zones under an eventual central federal government. The question of governmental organization and of other problems connected with the economic, financial, and political future of Germany will be considered when the Council of Foreign Ministers holds its next meeting, on March 10, 1947 at Moscow, to prepare a treaty of peace for Germany. The next chapter of American occupation in Germany will begin there.

¹² BULLETIN of Dec. 15, 1946, p. 1102.

PRELIMINARY PROPOSALS FOR AN INTERNATIONAL TRADE ORGANIZATION¹

The two articles presented below on commercial policy and restrictive business practices are the second in a series of articles on the work of the Preparatory Committee of the Economic and Social Council for the establishment of an international trade organization of the United Nations. The Preparatory Committee held its first meeting in London from October 15 to November 26, 1946. Articles on employment and economic activity and on industrial development appeared in the BULLETIN of February 2, 1946. In successive issues of the BULLETIN articles on intergovernmental commodity arrangements and on administration and organization will appear.

Commercial Policy

An Article

At its third executive session on October 16, 1946, the Preparatory Committee for the International Conference on Trade and Employment established a committee—Committee II—to consider the subject-matter covered in the General Commercial Policy chapter of the United States *Suggested Charter for an International Trade Organization*.² This committee probably had the largest and most difficult task of any of the main committees. Nevertheless the area of agreement reached was impressively large. Texts were agreed to for articles covering more than half of the subject-matter of the chapter. These agreed articles covered many of the most important subjects of the chapter, such as most-favored-nation

treatment, reduction of tariffs and elimination of preferences, quantitative restrictions (quotas) and exchange control, subsidies, and certain aspects of state-trading operations.

In the case of certain other proposed provisions of the chapter, lack of time and the complexity of the subject-matter made it advisable for the committee to limit its work to a thorough exchange of views, leaving the task of reconciling any differences and of preparing texts of draft articles to an interim drafting committee and to the second meeting of the Preparatory Committee in the spring of 1947.

The Commercial Policy chapter of the *Suggested Charter* was used as a basis for discussion. After preliminary discussion in the full committee, the various articles were referred to subcommittees, which proceeded to redraft certain articles in ac-

¹ A report on the work of Committee II, General Commercial Policy.

² Department of State publication 2598, Commercial Policy Series 93.

cordance with the views expressed. The reports of the subcommittees, together with the revised texts of articles, were then submitted to Committee II for further discussion, modification, and adoption.

General Most-Favored-Nation Treatment

The committee was in agreement with the principles (a) that members of the International Trade Organization (ITO) should grant each other general unconditional most-favored-nation treatment in respect of all customs matters, and (b) that certain preferences should be excepted from the operation of the most-favored-nation clause, pending their elimination by negotiation. The draft article on most-favored-nation treatment proposed by the United States had provided for a temporary exception for preferences in effect in either 1939 or 1946, whichever date resulted in the lower preferences; preferences thus excepted had also been limited roughly to Imperial and Cuban-American preferences. The committee agreed that the preferences to be excepted should be those remaining after the negotiations contemplated in the provisions of the charter which related to the reduction of tariffs and to the elimination of preferences. The committee agreed that "the awarding of governmental contracts for public works" and "purchase of supplies for governmental use" should not be included within the scope of the most-favored-nation clause, as proposed by the United States. It was felt that the former was more closely related to the treatment of foreign nationals and corporations than to the treatment of trade in goods and should, therefore, be the subject of future agreements developed under the auspices of the ITO. The latter subject is covered by article 31 in the revised state-trading provisions of the charter.

General Commercial Provisions

A technical subcommittee discussed the general subject-matter covered in articles of the *Suggested Charter* regarding national treatment on internal taxation and regulation; freedom of transit; anti-dumping and countervailing duties; tariff valuation; customs formalities; marks of origin; publication and administration of trade regulations; advance notice of restrictive regulations; information, statistics, and trade terminology;

boycotts; and general exceptions to the General Commercial Policy chapter.

A substantial degree of agreement was reached on questions of the principles underlying these provisions. Because of national variations in the practice of detailed administration, however, numerous differences of opinion existed, and a number of reservations were made. No efforts were made to reach agreement on specific texts of draft articles. The report of the subcommittee, summarizing the views of the various delegations, was adopted as a working document and referred to the Interim Drafting Committee, which is meeting in New York.

Reduction of Tariffs and Elimination of Preferences

The committee was in general agreement with the basic principles that members of the ITO should enter into reciprocal and mutually advantageous negotiations directed to the substantial reduction of import and export duties and to the elimination of import tariff preferences; that such negotiations should proceed in accordance with certain rules; and that members which unjustifiably failed to fulfil their obligations regarding tariffs and preferences should not be entitled to receive the benefits resulting from the fulfilment of those obligations by other members.

The committee agreed that the tariff and preference negotiations should be conducted in accordance with the following rules, the first two of which had been included in the United States *Suggested Charter*:

(a) Prior international commitments shall not be permitted to stand in the way of negotiations with respect to tariff preferences, it being understood that action resulting from such negotiations shall not require the modification of existing international obligations, except by agreement between the contracting parties, or, failing that, by termination of such obligations in accordance with their terms.

(b) All negotiated reductions in most-favored-nation import tariffs shall operate automatically to reduce or eliminate margins of preference.

(c) The binding or consolidation of low tariffs or of tariff-free treatment shall in principle be recognized as a concession equivalent in value to the substantial reduction of high tariffs or the elimination of tariff preferences.

Quantitative Restrictions and Exchange Control

General Elimination of Quantitative Restrictions

There was wide agreement with the United States proposal for a general rule against the use of import and export restrictions and prohibitions, the rule being subject to exceptions for the use of restrictions in specified circumstances and under specified conditions.

The committee agreed that, in addition to the temporary exceptions proposed by the United States, exceptions should be made covering the cases of restrictions which are essential to the maintenance of wartime price control by a country undergoing shortages subsequent to the war and to the orderly liquidation of uneconomic war industries. All these temporary measures should be removed by the middle of 1949, but the ITO might extend this period for particular products.

The United States suggested that exceptions should be made permitting restrictions on imports of agricultural products if such restrictions are necessary to the enforcement of governmental measures which (a) restrict the quantities of the like domestic product permitted to be marketed or produced, or (b) operate to remove a temporary surplus of a like domestic product by making it available to certain groups of domestic consumers free of charge or at lower than current market prices. The committee agreed that the charter should contain such an exception and that it should be broadened to cover fishery as well as agricultural products.

Restrictions To Safeguard the Balance of Payments

The most important exception to the general prohibition against quantitative restrictions relates to the problem of countries in balance-of-payments difficulties. The draft provisions prepared by the committee maintain the essence of the American position that countries with serious balance-of-payments difficulties should be permitted to use quantitative restrictions, subject to closely defined rules and adequate checks.

Under the draft provisions formulated by the committee the test for determining whether a member may use restrictions for balance-of-payments purposes is the member's need: "(i) to stop or to forestall the imminent threat of a serious decline in the level of monetary reserves; or (ii) in

the case of a Member with very low monetary reserves to achieve a reasonable rate of increase in its reserves."

A member using restrictions because of balance-of-payments difficulties may select imports for restriction on the grounds of essentiality to domestic programs (e. g., post-war rehabilitation or development programs), but it cannot exclude imports of any class of goods completely, and it must avoid all unnecessary damage to the commercial interests of other members.

The draft provisions include safeguards against unjustified use of restrictions for balance-of-payments purposes and against unnecessary injury to the trade of other members in the administration of such restrictions.

The Organization is required within two years of its institution to call into question all quantitative restrictions then in use. Finally, whenever the employment of quantitative controls, under the foregoing provisions, is so persistent and widespread as to indicate the existence of general disequilibrium, the Organization is directed, in collaboration with the International Monetary Fund, to "initiate discussions to consider whether other measures might not be taken, either by those countries whose balances of payments are under pressure or by those countries whose balances of payments are tending to be exceptionally favorable, or by any appropriate intergovernmental agency or organization to remove the underlying causes of the disequilibrium."

Administration of Quantitative Restrictions

One of the provisions agreed to by the committee is a general rule for non-discriminatory administration of such restrictions as are permitted under the exceptions described above.

The methods of applying that rule, in the order of their desirability, are listed as (1) avoidance of allocation among sources of supply (a) by announcing global quotas or (b) by issuing licenses unrestricted as to source; or (2) announcement of allocations established on the basis of commercial principles (a) through agreement among exporting countries or, if this is not practicable, (b) by reference to the share supplied in a previous representative period, subject to consultation at the request of the Organization or any of its members.

It was agreed, however, that in some cases the

rule of non-discrimination cannot or should not be rigidly applied. Accordingly, the provisions formulated at London permit, for certain specified purposes, departures from the rule of non-discrimination. Safeguards against unjustified departures from the rule of non-discrimination are provided.

Exchange Control

Since quantitative restrictions and exchange controls may be employed alternatively to affect the flow of trade, it is important that the rules governing these two devices should be laid down and administered with such consistency that it will be impossible, by resorting to one of these devices, to escape from the rules that govern the other. Accordingly, the London draft provides that members "will not seek by exchange action to frustrate the purposes of this Charter, and that they will not seek by trade action to frustrate the purposes of the Articles of Agreement of the International Monetary Fund." The committee, moreover, took the view that every member of the ITO should be a member of the Fund or, failing this, that a non-member of the Fund should be required to enter into a special exchange agreement with the ITO and that this agreement should be established and administered in collaboration with the Fund.

The present draft on quantitative restrictions and exchange control is a complete revision of the American text. It preserves the general approach and the essential principles of the original proposals and in many ways strengthens them. It eliminates the transition period provided in the earlier version and, immediately upon the establishment of the Organization, brings the balance-of-payments test into play. In the exceptions permitted to the rule of non-discrimination it affords greater flexibility. But, at the same time, it provides more adequate safeguards and more effective supervision through the collaboration of the International Monetary Fund and the ITO.

Subsidies

The subsidy provisions agreed to by the committee are essentially the same as those included in the United States *Suggested Charter*. Direct or "domestic" subsidies would not be seriously limited, but export subsidies, which are more likely to

distort trade, would be generally eliminated. Modification of subsidies will be gradual in cases where such modification requires substantial economic and social adjustment in the affected member countries.

State Trading

On non-discriminatory administration of state-trading enterprises, the committee agreed with the main lines of the provisions of the United States *Suggested Charter*. The rule of non-discrimination, as applied to a state-trading enterprise, means that in its purchases or sales such an enterprise will be influenced solely by commercial considerations such as price, quality, marketability, and transportation.

The requirement in the United States *Suggested Charter* that members furnish specific and detailed information relative to the operation of their state-trading enterprises was modified by the committee, since it was felt that information required with respect to state enterprises should not be greater than that required with respect to a private enterprise under similar conditions.

The type of provision which should be included to cover governmental purchases of commodities not for resale was discussed at length. It was agreed that in making such purchases member governments should accord "fair and equitable treatment" to the commerce of other members.

Under the provisions of the United States *Suggested Charter*, members having state monopolies for the importation or exportation of individual products would be required to negotiate with other members for the reduction of the price margins used by such monopolies to protect their domestic producers. This principle was accepted by the committee. In redrafting the provisions certain minor changes were made to provide a more accurate basis for determination of negotiable margins.

It was agreed, at the suggestion of the United States, to postpone detailed consideration of suggested provisions relating to the expansion of trade by countries having complete monopolies of foreign trade.

Emergency Provisions—Consultation—Nullification and Impairment

If imports of a particular product into a member country caused or threatened to cause serious in-

jury to domestic producers, the provisions of the United States *Suggested Charter* would have required a member (a) to give written notice to the Organization, and (b) to consult with the Organization and with members whose trade would be affected, before it could withdraw or modify tariff concessions and other obligations under the trade-barrier chapter affecting that product.

The committee agreed that the rules proposed by the United States should apply in most cases but that in critical and exceptional circumstances a member should be permitted to modify or withdraw concessions provisionally without prior consultation with other interested members, provided that consultation should take place immediately thereafter.

It was agreed that this emergency provision should apply to concessions with respect to preferences as well as concessions with respect to tariffs and other obligations. It was also agreed that, as a general rule, any counter-action against a member which withdraws or modifies a concession should not be disproportionate to the original action.

The committee was in agreement with the United States proposal that members of the ITO should stand ready to consult with one another regarding any matter affecting the operation of the provisions of the Commercial Policy chapter of the charter.

It was recognized that actions by a member which are not contrary to the letter of the charter might injure the trade of another member or nullify or impair objectives of the charter. The committee also felt that situations might arise, not attributable to the actions of any particular member or members, which would nullify or impair objectives of the charter as a whole. Accordingly, under the draft provisions agreed to by the committee, a member is permitted to request the Organization to set aside any of its obligations under the Commercial Policy chapter, and, if circumstances of this kind arise, the Organization is authorized to set aside such obligations. These provisions are somewhat broader than those included in the *Suggested Charter*, which would have limited the ITO's right to set aside obligations to cases where another member had taken action nullifying or impairing an objective of the Commercial Policy chapter.

Territorial Application of the Commercial Policy Provisions—Customs Unions—Frontier Traffic

The committee agreed with the United States proposals that the trade-barrier provisions of the charter should apply to each of the customs territories under the jurisdiction of the member countries and that an appropriate exception should be made for advantages accorded to facilitate frontier traffic.

The United States *Suggested Charter* had provided that the General Commercial Policy chapter should not prevent "the union for customs purposes of any customs territory and any other customs territory". The committee agreed that this exception should extend to the *formation* of a customs union, thus permitting measures representing in fact a transitional stage toward a genuine customs union. A new paragraph recognizes that the Organization may, in exceptional circumstances, approve new preferential arrangements (e. g., regional preferences) under a rule requiring a two-thirds majority vote.

Memorandum on Multilateral Trade Agreement Negotiations

In the light of the recommendation of the Preparatory Committee that it sponsor tariff and preference negotiations among its members in April 1947, a memorandum was prepared setting forth procedures and rules for these negotiations and for fitting the results of the negotiations into the framework of the ITO.

The memorandum recommends that the negotiations should be conducted on a selective, product-by-product basis, thus permitting full consideration of the circumstances surrounding each product on which a concession may be proposed.

The three general rules listed in the section of this report on reduction of tariffs and elimination of preferences should be followed in the negotiations.

It is suggested that each Preparatory Committee member concerned should advise the Secretariat of the United Nations of the date it proposes to use as the base date for negotiations with respect to preferences.

The memorandum stresses that it is important that members do not effect any new tariff measures which would increase the protective incidence of

their tariffs prior to the negotiations, since such action would tend to prejudice the success of the negotiations.

The memorandum expresses the agreement of the Preparatory Committee that a country would be expected to consider the granting of concessions only on products of which another member of the Preparatory Committee, or the members of the committee taken as a whole, supply a principal part.

The memorandum proposes that the members of the Preparatory Committee should enter into an agreement on tariffs and trade, which will contain the tariff schedules as well as certain general provisions drawn from the charter, including those considered essential to safeguard the value of the tariff concessions (for example, the provisions relating to quantitative restrictions). This agreement will be signed and made public at the close of the tariff negotiations and brought into force as soon thereafter as possible. The tariff concessions granted in the agreement will be granted to

countries not members of the Preparatory Committee on a provisional basis.

Since the existence of an international body will be necessary for the successful operation of certain provisions of the agreement, it is proposed that the countries adhering to the agreement should create a provisional agency to function until the establishment of the ITO.

The signatories of the agreement will be the original members of the Interim Tariff Committee, provided for in the charter, to be set up within the International Trade Organization after the international conference has met and the Organization has been established. The Interim Tariff Committee is to have the functions of determining whether (with respect to any negotiations subsequent to those culminating in the agreement described above) any member of the Organization has lived up to its obligations regarding tariff negotiations and of authorizing members to withhold tariff benefits from members who do not live up to their obligations.

Restrictive Business Practices¹

An Article

Introduction

At the opening meeting of Committee III, the spokesman for the United States advanced the following reasons for the inclusion of chapter V on restrictive business practices of the United States *Suggested Charter* in the proposed charter.

First, it was pointed out that restrictive business practices are detrimental to the expansion of trade and other objectives of the Organization. They tend to establish prices higher than those that would prevail under conditions of competition and thus result in a lower total volume of production, less consumption, and less employment. Moreover, monopolistic practices and arrangements frequently hinder the adaptability of business enterprises to new situations and result in lower efficiency of production and fewer opportunities for new investment. Such practices may also result in an artificially high level of profits, consequently diminishing shares of national-income

flow to workers and producers of raw materials. Finally, restrictive arrangements are capable of impeding the industrialization of undeveloped areas by increasing the price of equipment and preventing the development of new competitive industries through such practices as dumping, boycotting, or interposing obstacles to accessibility to technology and patent rights.

Secondly, it was emphasized that chapter V is an essential complement to other chapters in the charter, particularly those relating to commercial policy and intergovernmental commodity agreements. Consequently, if chapter V were not included or if its provisions were too loosely drawn, the obligations of members under these other chapters would be impaired by business arrangements for the purpose of carrying out various restrictive practices. For example, the reduction of governmental barriers to international trade

¹A report on the work of Committee III, Restrictive Business Practices.

and the elimination of governmentally imposed quotas would be rendered much less effective, and perhaps useless, if commercial enterprises in the member countries were at liberty to interpose restrictions on trade. Likewise, the obligations of member governments to enter into intergovernmental commodity agreements only under the principles and procedures of chapter VI might be seriously impaired in the absence of international agreement to prevent restrictive business practices.

It became evident from the initial statements of other delegations that there existed certain differences of view both as to general approach and as to matters of detail. Such differences were attributable to the wide disparities among the participating countries with respect to legal institutions, systems of economic organization, stages of industrial development, and structure of external trade. The United States approach as developed in chapter V of the *Suggested Charter* called for an international project requiring national action on the part of members to support a policy which most governments, with the exception of Canada and the United States, had not previously followed. Some countries, although having anti-monopoly legislation or constitutional provisions to this effect, had not actively pursued their administration; others, as in the case of most European industrial countries, had previously followed a policy of permitting and in some cases facilitating participation in international business arrangements of a restrictive character. Nevertheless, despite these dissimilarities of historical background and despite important differences in the structure of industry and trade in their respective countries, all delegates were agreed on the importance of the problem facing Committee III, and all expressed a resolute willingness to clarify and discuss the issues in the hope of arriving at a generally agreed solution. There was unanimous support for the adoption of the headings of the proposed United States draft charter as the basis for the discussions of this group.

The chapter on restrictive business practices (chapter VI) as finally recommended by Committee III and agreed upon by the Preparatory Committee incorporates the fundamental features of chapter V of the United States draft charter, which suggested the establishment of international machinery to facilitate the elimination and prevention of restrictive business practices in in-

ternational trade that become the subject of complaints by member governments or their nationals. This suggested machinery included (1) a body of agreed principles of action; (2) agreed procedures for carrying out these principles; and (3) an International Business Practices Commission to assist in matters of administration. In the course of discussions within Committee III, however, it became clear that on certain matters of detail the suggestions advanced in the United States draft charter had not won the support of all nations present at the conference, and, accordingly, various modifications to be explained in section 3 below were tentatively agreed to.

General Outline of Chapter VI

Chapter VI of the present draft charter enunciates first a general policy toward restrictive business practices. In accordance with this policy members agree to take appropriate measures to prevent within their jurisdiction business practices which restrain competition, limit access to markets, or foster monopolistic control, whenever such practices have harmful effects on any of the purposes of the Organization. Because of their significance in this context, the expansion of production and trade and the maintenance of high levels of real income are mentioned in particular. A list of specific practices is enumerated, comprising those which in the past have been of major significance in the limitation or restriction of trade, and it is provided that these practices, whether engaged in or made effective by an international "ring" or by a single firm, shall be subject to investigation by ITO and by member governments in accordance with prescribed procedures.

The procedural machinery operates in the following manner:

Upon request from any member country, ITO is empowered to arrange for a consultative conference with any other member or members with a view to the elimination of any particular instance of restrictive practices believed to be detrimental to the objectives of the Organization. Alternatively, or as a further resort, any member may submit a complaint that such an instance exists, whereupon ITO, after a preliminary screening of the complaint to insure its *prima facie* merits, will investigate the situation. This investigation includes the collection of further information from member governments and, if appropriate, oral hearings at

which the representatives of member governments and private parties under their jurisdiction may be heard. ITO will then make a finding as to whether the practices in question have had, or are about to have, harmful effects on the objectives of the Organization. If such effects are found, ITO shall notify all member governments, call upon them to take appropriate measures to prevent the continuance or recurrence of the practices, and at its discretion suggest appropriate remedial measures. ITO shall also make public a complete record of the case and shall request members from time to time to give information as to their respective actions in the particular case.

It is understood throughout the present chapter that, although members agree to adopt legislation or other measures appropriate to the observance of their obligations, no member is bound to any given formula; and each is expected to take action in accordance with its particular system of law and economic organization. Moreover, no government is bound by the terms of chapter VI to accept in advance the findings or recommendations of ITO; however, each member agrees to give fullest consideration to such findings or recommendations in the light of its general obligations under the charter. It is specifically provided that no member shall be precluded from enforcing its national laws directed to the prevention of monopoly or restraint of trade, regardless of any act or failure to act on the part of the Organization.

Finally, in order to carry out this plan a Commission on Business Practices is established under ITO to assist and advise the Executive Board.

Modifications in Chapter VI

It will be noted that in certain matters the agreed draft of chapter VI differs from the corresponding chapter V suggested by the United States. The following comments point out the major differences and explain briefly the basis of the changes that have been made.

(1) The United States draft suggested (article 34, paragraph 1) that members agree to take appropriate measures to prevent business practices among commercial enterprises which restrain competition, restrict access to markets or foster monopolistic control in international trade, and which *thus* have the effect of frustrating the purposes of the Organization. Although some

countries found this formulation acceptable, others took the view that it was possible that certain restrictive elements might be present in an arrangement among commercial enterprises without being unreasonable and detrimental, *per se*, to the expansion of international trade and other objectives of the Organization. All delegates agreed nevertheless that business practices should be prevented *whenever* they were found to have harmful effects, and the present text incorporates this wording in article 39, paragraph 1.

(2) It was the consensus of members of Committee III that article 34 of the United States draft was not sufficiently explicit in its statement of the devices or arrangements which would be subject to action by members and the Organization in the event that they resulted in restrictive business practices which might become the subject of complaint by other member countries or their nationals. Paragraph 2a of article 39 was accordingly inserted to make it clear that various combinations of firms as well as the single enterprise were included within the scope of chapter VI, with the limitation that such a group of firms or single firm must possess effective control of international trade in one or more products. Clearly, in the absence of effective control, the parties in question would not have the power to influence market conditions with respect to such matters as prices, quotas, territories, etc., and it was believed essential to include this provision in order to avoid numerous and unwarranted complaints that might interfere with the work of the Organization.

(3) It was proposed in the United States draft charter (article 34, paragraph 2) that an enumerated list of specific practices should be presumed, unless shown to the contrary in any particular case, to be detrimental to the objectives of the Organization and, therefore, subject to remedial measures by each member government concerned. This formulation did not, however, meet with general agreement, and in devising an acceptable draft of this article it was found desirable to eliminate the particular feature as to presumption of guilt on the part of parties accused of participating in restrictive business practices affecting international trade. It was felt that each complaint must stand on its own merits; that it would be both unfair and incompatible with recognized principles of civil law to incorporate any *a priori* condemnation; that on occasion ITO might be

placed in embarrassing situations; and that reliance must be placed on the establishment over a period of time of a body of standards growing out of specific findings of the ITO.

(4) According to the United States draft (article 34 and article 35, paragraph 5) complaints could be received and investigations conducted by ITO only when it was deemed that business practices had actually had harmful effects. Various members of the Committee suggested that investigation might also be appropriate in certain cases in which a cartel arrangement had been only recently formed and had as yet no history of operation; that appropriate action should also be allowed when such an arrangement was deemed *likely* to have harmful effects. This change was generally acceptable to the members of the Committee and is incorporated in the present chapter VI.

(5) The United States draft (article 34, paragraph 1) stated that the business practices of governmental as well as of private commercial enterprises would fall within the scope of chapter V. Reservations were expressed by several governments, particularly on the ground that the activities of governmental enterprises were covered in chapter IV, section F, relating in general to state trading. The present draft of chapter VI (article 39, paragraph 2) reconciles this difference of view by providing that the practices of international combinations, agreements, or other arrangements among private commercial enterprises, public commercial enterprises, either or both, shall be subject to the provisions of chapter VI. However, as regards the activities of a single commercial enterprise not acting in concert with other firms, the terms of chapter VI apply only to private entities. It was considered by the committee that the activities of the individual governmental enterprises were adequately covered by section F of chapter IV.

(6) The United States draft suggested (article 35, paragraph 2) that complaints could be made by persons or business entities, or organizations representing them, provided only that if the member having jurisdiction had established procedures for filing, the complainants must have conformed to such procedures. Certain members, however,

were of the opinion that only member governments, not persons or enterprises, should be permitted to launch complaints involving other member governments. It was finally agreed that those member governments having jurisdiction over the complainants could not escape responsibility for such complaints. Accordingly, it was the consensus of the committee that if complaints were filed by private persons or bodies, they must have the approval of the appropriate member. This change is incorporated in the present text (article 40, paragraph 5).

(7) The United States draft (article 37, paragraph 5) obligated members *to take action* after recommendation by the Organization to terminate and prevent the recurrence of a particular business practice which the Organization has found to have harmful effects on its objectives. Certain members of Committee III were of the view that this commitment was not sufficiently explicit and might, moreover, impose obligations on them which would not be commensurate with those imposed upon other governments whose actions were subject to "due process of law". For example, before even a *prima facie* case could be made out by the United States Government against an American firm allegedly participating in restrictive business practices, it would be necessary for the Attorney General to submit evidence to a grand jury for its decision. Neither the grand jury nor the courts could be bound to accept the findings of ITO as to the effect of such practices upon American commerce. By contrast, certain foreign governments had direct powers of intervention in industry and considered that the phrase *take action* might be interpreted as binding them to carry out any finding or recommendation made by ITO. This point had to be clarified and the possibility of unequal international obligations under this chapter dispelled. Accordingly, it was agreed that each government shall take the fullest account of the Organization's findings, requests, and recommendations, in the light of its obligations under article 39, in considering the action which it should take in accordance with its own laws to prevent the continuance or recurrence of any practices which the Organization finds to have had harmful effects on its objectives.

Sub-Commission on Freedom of Information and of the Press¹

UNITED STATES PROPOSAL

The terms of reference of the Sub-Commission on Freedom of Information and of the Press should be revised along the following lines:

Terms of Reference of Sub-Commission on Freedom of Information and of the Press

Functions

The functions of the Sub-Commission on Freedom of Information and of the Press established by the Commission on Human Rights pursuant to authority given by resolution of the Economic and Social Council of 21 June 1946 shall be:

1. To examine and define what rights, obligations, and practices should be included in the concept of freedom of information and to make recommendations to the Commission on Human Rights with a view to obtaining effective recognition by the United Nations members and other governments of such rights, obligations, and practices;
2. To initiate studies of political, economic, technical, and other obstacles to the free flow of information and to make recommendations to the Commission on Human Rights regarding measures, including the preparation of international conventions, designed to eliminate obstacles to and to promote freedom of information;
3. To submit from time to time reports to the Commission on Human Rights which in turn may recommend to the Economic and Social Council the publication of such reports;
4. To perform any other services which may be

entrusted to it by the Commission on Human Rights.

Composition

1. The Sub-Commission shall be composed of eleven persons selected by the Commission in consultation with the Secretary-General and subject to the consent of the governments of the countries of which the persons are nationals. Not more than one person shall be selected from any single country.

2. The terms of office of the members shall be three years. Members shall be eligible for re-election. In the event that a member is unable to serve for the full three-year term a person selected by the Commission subject to the foregoing provisions should serve in his place for the remainder of the term.

3. The members of the Sub-Commission should be chosen by the Human Rights Commission at this session. The choice should be made from among a list of individuals submitted by such Human Rights Commission members as care to make nominations, each member being authorized to nominate eleven names, not more than three from each country.

Co-operation with the United Nations and Other Organizations

1. The Sub-Commission shall cooperate in mat-

¹ United Nations Economic and Social Council document E/CN.4/7 of Jan. 29, 1947.

ters of common interest with the appropriate principal and subsidiary organs of the United Nations and with specialized agencies.

2. The Sub-Commission shall initiate preparations of a special agreement between the United Nations and the United Nations Educational, Scientific and Cultural Organization regarding the

division of responsibilities between the two organizations in promoting freedom of information.

3. In the discharge of its functions the Sub-Commission shall have due respect for the functions of the Atomic Energy Commission.

4. The Sub-Commission may make special arrangements for consultation with other inter-governmental organizations.

Conference on Freedom of Information and the Press

UNITED STATES DRAFT RESOLUTION

[Released to the press by the United Nations January 29]

Whereas the Sub-Commission on Freedom of Information and of the Press is directed "to perform any other functions which may be entrusted to it by the Commission on Human Rights," it is

Resolved, that the Sub-Commission on Freedom of Information and of the Press is requested to formulate recommendations regarding the program of the Freedom of Information conference to be convoked pursuant to General Assembly resolution (A/229)¹ (this program to be approved

by the Commission on Human Rights) and to assist in preparations for the conference, including the preparation of draft resolutions, conventions, and model clauses on freedom of information; and

That the Sub-Commission on Freedom of Information and of the Press be authorized to establish direct relations in the planning of the conference with UNESCO and other appropriate specialized agencies and private organizations and that the Secretary-General invite the cooperation of these bodies in connection with this matter.

¹ CALLING OF AN INTERNATIONAL CONFERENCE ON FREEDOM OF INFORMATION

The General Assembly,
Whereas

Freedom of information is a fundamental human right and is the touchstone of all the freedoms to which the United Nations is consecrated;

Freedom of information implies the right to gather, transmit and publish news anywhere and everywhere without fetters. As such it is an essential factor in any serious effort to promote the peace and progress of the world;

Freedom of information requires as an indispensable element the willingness and capacity to employ its privileges without abuse. It requires as a basic discipline the moral obligation to seek the facts without prejudice and to spread knowledge without malicious intent;

Understanding and co-operation among nations are impossible without an alert and sound world opinion which, in turn, is wholly dependent upon freedom of information:

Resolves therefore, in the spirit of paragraphs 3 and 4 of Article 1 of the Charter, to authorize the holding of a

conference of all Members of the United Nations on freedom of information;

Instructs the Economic and Social Council to undertake, pursuant to Article 60 and Article 62, paragraph 4, of the Charter, the convocation of such a conference in accordance with the following guiding principles:

(a) The purpose of the Conference shall be to formulate its views concerning the rights, obligations and practices which should be included in the concept of the freedom of information;

(b) Delegations to the Conference shall include in each instance persons actually engaged or experienced in press, radio, motion pictures and other media for the dissemination of information;

(c) The Conference shall be held before the end of 1947, at such place as may be determined by the Economic and Social Council, in order to enable the Council to submit a report on the deliberations and recommendations of the Conference to the following regular session of the General Assembly.

Sixty-fifth plenary meeting,
14 December 1946.

[General Assembly Journal no. 75: Supp. A-64. Add. 1, pp. 856-57.]

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

*Calendar of Meetings*¹

In Session as of February 2, 1947

Far Eastern Commission	Washington	Feb. 26, 1946
United Nations:		
Security Council	Lake Success	Mar. 25, 1946
Military Staff Committee	Lake Success	Mar. 25, 1946
Commission on Atomic Energy	Lake Success	June 14, 1946
UNRRA - Intergovernmental Committee on Refugees (IGCR): Joint Planning Committee	Washington	July 25, 1946- Jan. 8, 1947
Telecommunications Advisory Committee	Lake Success	Nov. 10, 1946
Economic and Social Council (ECOSOC).		
Drafting Committee of International Trade Organization, Preparatory Committee.	Lake Success	Jan. 20-Feb. 28
Economic and Employment Commission	Lake Success	Jan. 20-Feb. 5
Social Commission	Lake Success	Jan. 20-Feb. 4
Human Rights Commission	Lake Success	Jan. 27-Feb. 8
Statistical Commission	Lake Success	Jan. 27-Feb. 8
German External Property Negotiations:		
With Portugal (Safehaven)	Lisbon	Sept. 3, 1946
With Spain	Madrid	Nov. 12, 1946
Inter-Allied Trade Board for Japan	Washington	Oct. 24, 1946
Inter-Allied Reparation Agency (IARA): Meetings on Conflicting Custodial Claims.	Brussels	Nov. 6-Dec. 17, 1946. Resumed session Jan. 29
PICAO:		
Interim Council	Montreal	Jan. 7
Air Transport Committee: Sixth Session	Montreal	Jan. 13
Aeronautical Maps and Charts Division	Montreal	Jan. 14
Council of Foreign Ministers: Meeting of Deputies	London	Jan. 14-Feb. 24
Conference for the Establishment of a Regional Advisory Commission for Non-Self-Governing Territories in the South and Southwest Pacific.	Canberra	Jan. 28-Feb. 6

Scheduled for February - April 1947

ILO:		
Industrial Committee on Petroleum Production and Refining	Los Angeles	Feb. 3-12
101st Session of the Governing Body	Geneva	Mar. 5-8

¹ Prepared in the Division of International Conferences, Department of State.

ILO—Continued

Committee on Social Policy in Dependent Territories	London	Mar. 17-22
Committee of Experts on the Application of Conventions	Geneva	Mar. 24-29
Preparatory Meeting of Statistical Experts	Montreal	March
Industrial Committee on Coal Mining	Geneva	Apr. 23

PICAO:

Divisional

Accident Investigation Division	Montreal	Feb. 4
Airworthiness Division	Montreal	Feb. 18
Airline Operating Practices Division	Montreal	Feb. 25

Regional

South Pacific Regional Air Navigation Meeting	Melbourne	Feb. 4
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Conference of the International Union for Protection of Industrial Property.	Neuchâtel	Feb. 5
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United Nations:

Economic and Social Council (ECOSOC):

Population Commission	Lake Success	Feb. 6-19
Transport and Communications Commission	Lake Success	Feb. 6-19
Commission on the Status of Women	Lake Success	Feb. 10-23
Subcommission on Economic Reconstruction of Devastated Areas, Working Group for Asia and the Far East.	Lake Success	Feb. 14-21
Non-Governmental Organizations Committee	Lake Success	Feb. 25-27
Standing Committee on Negotiations With Specialized Agencies . .	Lake Success	Feb. 28
Economic and Social Councils, Fourth Session of	Lake Success	Feb. 28
Meeting of Experts on Passport and Frontier Formalities	Geneva	Mar. 17
Trusteeship Council	Lake Success	Mar. 26

Signing of Peace Treaties With Italy, Hungary, Bulgaria, Rumania, and Finland.	Paris	Feb. 10
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International Court of Justice	The Hague	Feb. 10
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International Refugee Organization: Preparatory Commission	Geneva	Feb. 11-22 (tentative)
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Emergency Economic Committee for Europe (EECE): Subcommittee on Emergency Housing Problems.	The Hague	Feb. 13-15
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International Emergency Children's Fund: Executive Board and Special Committee Meeting.	Lake Success	Feb. 24
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Council of Foreign Ministers	Moscow	Mar. 10
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World Health Organization (WHO): Third Session of Interim Commission.	Geneva	Mar. 31
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European Central Inland Transport Organization (ECITO): Seventh Session of the Council.	Paris	March
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Interparliamentary Union: 36th Plenary Session	Cairo	Apr. 7
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International Conference on Trade and Employment: Second Meeting of Preparatory Commission.	Geneva	Apr. 8
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International Red Cross Committee	Geneva	Apr. 14-26
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Fifth International Hydrographic Conference	Monaco	Apr. 22
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International Meeting of Marine Radio Aids to Navigation	New York and New London	Apr. 28
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FAO Preparatory Commission

REPORT ON WORLD FOOD PROPOSALS

The FAO Preparatory Commission on World Food Proposals was created in response to a resolution of the Food and Agriculture Organization conference held September 2-13, 1946, in Copenhagen. Its assignment was to work out specific recommendations for achieving the objectives of the long-range plan presented to the Conference by Sir John Orr, FAO Director General. These objectives, unanimously approved by the Copenhagen conference, were:

(a) developing and organizing production, distribution, and utilization of basic foods to provide diets on a health standard for the people of all countries;

(b) stabilizing agricultural prices at levels fair to producers and consumers alike.

The Preparatory Commission was made up of delegations from 17 governments, plus observers from 16 other member nations of FAO and representatives of 4 intergovernmental organizations. Its independent chairman was Viscount S. M. Bruce, formerly Prime Minister of Australia and more recently that country's High Commissioner in London. The Commission met in Washington, and carried on its work from October 28, 1946 to January 24, 1947.

The U.S. Government was represented in the Commission by a delegation headed by Under Secretary of Agriculture Norris E. Dodd, with Advisers from the Departments of State, Agriculture, Commerce, and Labor.

The Commission's report in seven chapters was published on January 24 and transmitted to the Director General of FAO. In accordance with the resolution of the FAO conference at Copenhagen, he will transmit the report to member governments of FAO, the Executive Committee of FAO, and international organizations, and it will be considered by the next session of the FAO conference. Following is the official summary of the report.

Summary of the Report¹

1. The reference of the Copenhagen conference to this Commission was to examine how "to develop and organize production, distribution and utilisation of basic foods to provide diets on a health standard for the people of all countries, and to stabilize agricultural prices at levels fair to producers and consumers alike."

2. The first fact that emerged in our examination of the task we had been given was that it would be impossible materially to increase production and consumption or effectively to stabilize prices save in a setting of an expanding world economy.

3. Following World War I, after the devastated areas were restored and the world was restocked and re-equipped, it was found that the world could not absorb the increased production which the war had stimulated. The result was the economic and financial crisis, and the human tragedies of the nineteen-thirties.

4. Today, in many respects, we are in a similar position to that after World War I. Production capacity has been expanded in many countries outside the combat areas. The war-devastated areas are being repaired. The world is being restocked and re-equipped. What are we going to do when these tasks are accomplished? If nothing is done to absorb the infinitely greater production which our efforts in World War II have stimulated, we may find ourselves heading for a greater disaster than in 1929. The result may be millions out of work, an unparalleled business recession, and social and economic unrest, with renewed pressures for restriction of production.

5. The Commission is convinced that any proposals for food and agriculture must be worked out against a background of the many-sided rem-

¹FAO Preparatory Commission doc. 280, I-II/34, Jan. 24, 1947.

edies to these problems, and we attach great importance to work of governments and of United Nations agencies in this field. Without both high production and stable employment in the advanced countries and greater agricultural and industrial development in the less advanced countries, it will be impossible to secure better standards of living and greater social security throughout the world. Only by increasing production and consumption, and expanding world trade can our objectives be reached.

6. With this background, the Commission has faced its task. We found that if nutritional standards are to be raised in accordance with the Copenhagen objectives, the development and modernization of agriculture in the malnourished countries is essential. We recommend to such countries the early formulation of development programs, the establishment of any needed administrative machinery, and the seeking out of advantageous contacts in other countries. We recommend to FAO the initiation of certain agricultural surveys; of clearing-house activities for international interchanges of personnel, scientific material, and information; and of work on extension programs (advisory services) and on rural welfare.

7. An expansion of agriculture presupposes an expansion of purchasing power to absorb the output at reasonable prices. Moreover, the application of science and modern techniques to agriculture means a smaller labor force in farming. Both considerations point to the necessity for industrial development in under-developed regions and to the close link between agriculture and the whole economy. While the general topic of industrialization is outside our field, we do suggest from the agricultural viewpoint the desirability of a decentralized development of industry and the encouragement, in suitable areas, of village industries and handicrafts. Further, we note with approval the consideration which the Economic and Social Council is giving to arranging the international provision of information and advice on general economic development. We recommend that when countries ask for advice on measures of general development programs, the agricultural aspects be fully considered.

8. Development of agriculture and industry, both small and large scale, requires finance. There are definite principles which must govern the financing of development. The first is that the coun-

try where the development is to take place must put its own national finances on a firm foundation. The second is that a substantial part of the finance required must be provided by the country itself. The third is that developmental expenditures must be in respect to well thought out and well planned projects.

9. The preparation of large-scale projects will require time. If, while smaller projects are being undertaken, the preparation of the larger projects is immediately and resolutely taken in hand, their demands for equipment and machinery will come forward just about the time that productive capacity is being released by the completion of restocking and re-equipment. International credit will have to be obtained through a variety of channels, but it is the International Bank for Reconstruction and Development which will handle most of the development projects, requiring international financing. The Bank's resources have not yet been stretched, but it will be disappointing if development does not gather such momentum as to make the presently available resources quite inadequate. We recommend that FAO consult regularly with the Bank to insure that the most effective use is being made of their several facilities and, if development is being held up by lack of finance, to report to governments and to the United Nations.

10. The best laid plans for the development of agriculture can, however, be defeated by instability of prices. To this question, which is the second of our objectives, we have devoted a great deal of our time. Governments have increasingly intervened in the agricultural economy by guaranteeing prices, subsidizing consumers and exercising other controls and regulations. Although this intervention has somewhat diminished since the termination of the war, it is likely to continue. The Commission, therefore, has reached the conclusion that only by consultation and cooperation between governments can reasonable stability of agricultural prices be achieved. We believe that for many commodities the most satisfactory method would be intergovernmental commodity arrangements and agreements.

11. Within international commodity agreements, price stability can be sought either by negotiating a price or price range and implementing it by various devices such as managed stocks or quotas; or, in the absence of a price agreement, by using these devices to exert a general influence

on prices. Along with nations' own working stocks, we recommend that international commodity arrangements provide in appropriate cases for the creation of a famine reserve of basic foods held nationally for use internationally. We recommend further the accumulation of limited price stabilisation reserves, sometimes known as buffer stocks, for commodities subject to seasonal and cyclical fluctuations but not likely to be in a condition of endemic surplus. Having regard to the financial obligations involved, we feel that under present conditions such stocks should be held nationally but administered under internationally agreed rules, including provision for flexibility in face of balance of payments difficulties. We regard quotas, while essential to international regulation for certain products, as subject to the danger of impeding desirable production shifts, unless accompanied by adequate safeguards. Similarly, long-term contracts while providing valuable assurances to the parties concerned, may be discriminatory in their operation unless brought within the multilateral-agreement framework. All international arrangements employing these devices should provide for periodic review of production policies and price levels.

12. We are convinced that the basis of all intergovernmental arrangements should be an expansion of consumption and not restriction of production. To this end, we have suggested that where, after the present scarcity is ended, surpluses ensue or exporting countries undertake to maintain production in excess of what could be sold at reasonable prices in the regular markets, such excess production should be made available at special prices for approved nutritional programs. This system could be useful for bread grains, rice, and in certain circumstances for citrus fruit concentrates, dried fruit and vegetables, some livestock products, and fish. The proposed arrangement would improve the nutritional standard of recipient countries during their period of development and might avoid the necessity on the part of exporting countries of curtailing production or diverting surplus food products to non-food uses. No part of the cost of special price sales should be transferred to the price of commercial exports.

13. We recommend that requests for special price sales and offers of excess production be reviewed by FAO and the findings laid before the

World Food Council (see below), which would make recommendations to the Commodity Council concerned. The member of the Commodity Council would then agree on the form of the particular program, leaving details to the countries involved in the arrangement. We emphasize that such a far-reaching proposal would need to be developed gradually. Also we recognize that each group of countries—exporters, special recipients, and commercial importers—must have their various interests fully safeguarded if their cooperation is to be secured.

14. From our examination of a number of different commodities, it is clear that their circumstances differ widely and that differing types of action will be needed. Our recommendations for specific commodities range from review and periodic consultation up to the somewhat elaborate set of provisions which we have suggested for a commodity agreement for wheat.

15. The Commission has taken note of the resolution concerning commodity policy coordination agreed at the London Session of the Preparatory Committee for an International Conference on Trade and Employment, and believes that the United Nations should create a Temporary Coordinating Committee of three persons, including one from FAO, to keep itself informed of consultation or action in respect of intergovernmental arrangements for agricultural and non-agricultural commodities.

16. If our two objectives are to be achieved, it is essential that there should be coordination of national programs and of international commodity programs, so that there shall be balance not only between production and nutrition, but also between commodity and commodity. To this end we have recommended that the FAO Conference shall conduct an Annual Review at which national production and nutritional programs would be reviewed and the activities of all agricultural Commodity Councils and study groups would be examined. This annual consultation between governments should prove of real service to member nations, not only in the formation of their own policies, but also in achieving a coherent world picture of production and consumption.

17. There remains, however, a real need for consultation, review, and, in some cases for action between Annual Reviews. To achieve this, we are recommending the establishment of a council of

FAO, to be known as the World Food Council. The Council would carry out the functions of the Annual Review between Conferences. Its more detailed powers and duties are set out in Chapter VII. It would be composed of the representatives of eighteen Member nations of FAO, elected by the Conference, and would meet as often as necessary, but at least twice a year, as well as immediately prior to the regular Annual Session of the Conference. The Council would be a part of the machinery of FAO, using the staff of that Organization in the same way as the FAO Conference does.

18. The proposed strengthening of the machinery of FAO is designed to help governments to help themselves. The conclusion the Commission has reached is that, in order to achieve the objectives embodied in our terms of reference, no further United Nations organizations are needed beyond those existing or in process of formation. It is, however, essential that these organizations should act in the closest cooperation, and we urge that the Economic and Social Council should exert its utmost endeavors to this end.

INTERNATIONAL WHEAT COUNCIL RECOMMENDS THAT U. S. ARRANGE INTERNATIONAL CONFERENCE IN LONDON

[Released to the press by the International Wheat Council January 28]

The International Wheat Council recommended on January 28 that the United States Government arrange for the convening in London on March 6, 1947, of a conference to negotiate an international wheat agreement.

At its meetings held in Washington during the past two weeks, the Council prepared a memorandum on the proposed agreement and adopted it as the annotated agenda for the conference.

The recommendation that the United States Government arrange to convene the conference is in accordance with the provisions of the agreement approved in June 1942 by the Governments of Argentina, Australia, Canada, the United Kingdom, and the United States.

The International Wheat Council is composed of representatives of the Governments of Argentina, Australia, Belgium, Brazil, Canada, China,

Denmark, France, India, Italy, the Netherlands, the United Kingdom, and the United States of America.

U. S. OBSERVER TO CONFERENCE OF INTERNATIONAL UNION FOR PROTECTION OF INDUSTRIAL PROPERTY

[Released to the press January 31]

President Truman has approved the nomination of Richard Spencer, the United States representative to the German Patent Office in Berlin, to represent the Government of the United States as an observer at the conference of the International Union for the Protection of Industrial Property. This meeting will be held at Neuchâtel, Switzerland, on February 5, 1947, under the auspices of the International Bureau for the Protection of Industrial Property.

The purpose of the conference is to conclude an arrangement regarding the conservation or restoration of rights to industrial property affected by World War II. An agreement providing for a 12-month extension of the time limits involved in patent and trade-mark regulations will be considered.

AGREEMENTS BETWEEN UN, FAO, AND UNESCO

[Released to the press by the United Nations January 29]

The protocol relating to the entry into force of the agreements concluded between the United Nations and the Food and Agriculture Organization and between the United Nations and the United Nations Educational, Scientific and Cultural Organization was signed February 3, 1947 in the office of the United Nations Secretary-General.

Mr. Trygve Lie signed for the United Nations while Sir John Boyd Orr, Director General of FAO, signed for FAO, and Dr. Julian Huxley, Director General of UNESCO, signed for UNESCO.

The agreements, which were approved by the General Assembly, brought the FAO and UNESCO into official relationship with the United Nations as specialized agencies, under the coordinating authority of the Economic and Social Council.

U. S. Position on Conduct of Recent Polish Elections

[Released to the press January 28]

On January 19 a general election was held in Poland, the results of which are expected to be announced shortly. The United States Government has followed closely the developments leading up to this event in accordance with the commitments it accepted at the Yalta and Potsdam Conferences. On numerous occasions it has expressed its concern over the course of events in Poland, which increasingly indicated that the election would not be conducted in such manner as to allow a free expression of the will of the Polish people. On August 19¹ and November 22,² 1946, formal notes were addressed to the Polish Provisional Government on this subject. On January 5³ this Government brought the situation in Poland to the attention of the British and Soviet Governments and expressed the hope that those Governments would associate themselves with the Government of the United States in an approach to the Polish Provisional Government of National Unity. This proposal was rejected by the Soviet Government.⁴ On January 9⁵ this Government delivered a further note to the Polish Provisional Government which stated among other things that if the repressive activities on the part of the Provisional Government did not cease immediately there was little likelihood that elections could be held in accordance with the terms of the Potsdam agreement. The British Government has also protested to the Polish Provisional Government the violation of its election pledges.

The reports received from the United States Embassy in Poland in the period immediately prior to the elections as well as its subsequent reports based upon the observations of American officials who visited a number of Polish voting centers confirmed the fears which this Government had expressed that the election would not be free. These reports were corroborated by the general tenor of the dispatches from foreign correspondents in Poland. It is clear that the Provisional Government did not confine itself to the

suppression of the so-called "underground" but employed wide-spread measures of coercion and intimidation against democratic elements which were loyal to Poland although not partisans of the Government "bloc". In these circumstances the United States Government cannot consider that the provisions of the Yalta and Potsdam agreements have been fulfilled.

The United States Government has made it clear that it has no desire to intervene in the internal affairs of Poland. By virtue of the responsibility which devolved upon it as one of the principal powers engaged in liberating the countries of Europe from Nazi occupation it undertook, together with the British and Soviet Governments, to secure for the long-suffering Polish people the opportunity to select a government of their own choosing. It was in connection with this undertaking that this Government agreed to the decisions respecting Poland that were taken at the Yalta Conference, including the decision to recognize the Polish Provisional Government of National Unity. These decisions with respect to Poland, which were accepted by the Polish Provisional Government in their entirety, formed part of a series of agreements between the United States, British, and Soviet Governments. The United States Government considers that the Polish Provisional Government has failed to carry out its solemn pledges.

The United States Government intends to maintain its interest in the welfare of the Polish people. While retaining full liberty of action to determine its future attitude toward the government of Poland, this Government will continue to keep itself informed of developments in Poland through its diplomatic mission in Warsaw.

¹ BULLETIN of Sept. 1, 1946, p. 422.

² BULLETIN of Dec. 8, 1946, p. 1057.

³ BULLETIN of Jan. 19, 1947, p. 134.

⁴ BULLETIN of Jan. 26, 1947, p. 164.

⁵ BULLETIN of Jan. 19, 1947, p. 135.

Filing of Protests Against Nationalization of Polish Firms

[Released to the press January 30]

In the *Monitor Polski* of December 28, 1946, the Polish Government published four lists containing the names of 455 firms to be nationalized, some with and some without compensation to the owners thereof. Copies of these lists may be examined at Room 313, Walker-Johnson Building, Department of State, Washington. Other lists appear in the December 30 and December 31 issues of the *Monitor Polski*, but no copies of these issues have as yet been received, although the Department has been

furnished with the names of some individual concerns listed therein. Thirty days from the publication of these lists are allowed for entering protests against nationalization. These protests must be submitted to the Central Commission for the Nationalization of Enterprises, 3 A Senacka Street, Warsaw, and, if necessary, be accompanied by substantiating evidence. If it is not possible to file protests within the prescribed thirty-day period because of the previous unavailability of the lists in the United States, the Polish Government has agreed to give favorable consideration to petitions for the renewal of the period for filing protests.

Daily Russian-Language Broadcasts to U.S.S.R.

[Released to the press February 1]

The Department of State announced on February 1 that its International Broadcasting Division will start a daily program series of Russian-language broadcasts to the Soviet Union on February 17, with emphasis on factual, unbiased news of the world and news of the United States.

Russian will be the twenty-fifth language to be incorporated into the program structure of the "Voice of the United States of America," which already beams by shortwave and relays an average of more than 1,600 hours of programs each month to Europe, the Far East, and Latin America.

The addition of Russian programming has been made possible by the recent rehabilitation of three shortwave transmitters at Munich, Germany. Russian broadcasts will originate in the New York studios of the International Broadcasting Division, and will be picked up and simultaneously retransmitted by the three Munich transmitters, each with power of 85,000 watts.

The programs will be beamed to the Moscow-Leningrad area. Initially they will be broadcast one hour daily, seven days a week. It is planned to expand the broadcast time as soon as adequate facilities and personnel are available.

The broadcasts will consist of news of the world, and of the United States; representative American music, both classical and popular; discussions, interviews, and other features designed to present an accurate and objective picture of American life in all its cultural, scientific, and sociological aspects. These features will include

frank discussions of such problems as housing, production, labor-management relations, and social security. Special attention will be given to important statements and speeches by high United States officials explaining American aims and policies.

To prepare the Russian-language programs, a special staff has been selected and trained in New York, following the pattern for other foreign-language broadcasts of the IBD. The Russian Section will have an initial staff of 12 permanent employees, all American citizens. The staff is headed by Charles W. Thayer, as special consultant, and Nicholas Nabokoff, as chief editor. Part-time specialists and announcers will be used as needed.

Mr. Thayer is a veteran of the United States Foreign Service. He was with the United States Embassy in Moscow for seven years, and he has served in England, Germany, Iran, Afghanistan, and other countries. In the Army during the war, he headed the United States Military Mission to Yugoslavia and became General Mark Clark's special adviser and interpreter in Austria. Subsequently, he served as the civilian member of the Joint Soviet-United States Commission to establish a Korean government.

Mr. Nabokoff has been serving on the Allied Military Government staff in Germany.

The Russian-language programs will be broadcast daily at 1 p. m., E.S.T. (9 p. m., Moscow time).

American Students To Study in Sweden

[Released to the press January 30]

A group of 45 American students will sail from New York City for Sweden on January 31 to take up their studies in a 1-year course at the University of Stockholm. The total number enrolled in the course includes 56 United States students, of whom 51 are veterans. There are 8 women participating in the program. Arrangements have been made by the University of Stockholm to house the students in private homes in Sweden.

The Institute of International Education of New York City, a privately sponsored agency active in promoting international student exchange, served to direct and coordinate selection of candidates for the course. Selections were made from over a hundred applicants through a specially appointed selection committee, composed of representatives of the Institute, the Swedish Legation, the American-Scandinavian Foundation, and the Sweden-America Foundation, together with representatives of Harvard, Yale, and Columbia Universities. Nils Herlitz, a member of the First Chamber of the Swedish Rikstag and Professor of Public Administration at the University of Stockholm, is in charge of the course.

The students will receive intensive training in the Swedish language during the first term, which begins February 15 and lasts until June 15, 1947. Other studies will include outlines of Swedish social, economic, and political conditions, and Scandinavian history and culture. It is expected that instruction will also be given on the scientific and technical development of Sweden.

During the two-month summer vacation, arrangements will be made for students to visit cultural centers where Swedish folk high schools will be in session. There will also be ample opportunities for sight-seeing tours of the country. In the second semester the students will have wider choices of study gained through their knowledge of the language. However, special tutors and counselors will be available to guide the students as needed. At the conclusion of the two semesters, certificates will be issued to those satisfactorily completing the course. James Robbins, cultural attaché to the United States Legation in Stockholm, will assist the University of Stockholm in determining the credits earned.

Preparatory work for the course was begun a year ago through the efforts of the Sweden-America Foundation, which facilitates student exchange between Sweden and the United States. Participants in the planning were the Swedish Legation in Washington, the Institute of International Education, the United States Office of Education, the Veterans Administration, and the Department of State.

Recovery of Property Removed From France by the Enemy

[Released to the press January 31]

American owners of property which was removed, or is presumed to have been removed, from France by the enemy during the war, and which bears certain means of identification, may obtain the aid of the French Government in searching for the property, the Department of State announced on January 31.

Missions accredited to the occupying authorities in the various zones of Germany have been sent from France to search for spoliated property. The only searches, however, which have been possible in the British and American zones have been those for property the location of which was well known. French authorities report that several American citizens have regained possession of property belonging to them, notably works of art and thoroughbred horses.

Declarations concerning identifiable property known, or presumed, to have been removed from France by the enemy should be filed at the Office des Biens et Intérêts Privés, 46 Avenue de Malakoff, Paris, on forms supplied by that Office. The declarations must be filed, even though a claim for war damages has been sent to the Reconstruction Services at the various prefectures. The decree authorizing the filing of declarations is dated April 16, 1945 and was published in the *Journal Officiel* on May 1, 1945. A notice calling attention to the provisions of the decree was also published in the *Journal Officiel* on June 13, 1946.

Treaty of Conciliation With the Philippines¹

THE PRESIDENT'S LETTER OF TRANSMITTAL TO THE SENATE

To the Senate of the United States:

To the end that I may receive the advice and consent of the Senate to ratification, I transmit herewith a treaty of conciliation between the United States of America and the Republic of the Philippines signed at Manila on November 16, 1946. I transmit also, for the information of the Senate, a report on the treaty made to me by the Secretary of State.

The treaty corresponds in its provisions, except

as otherwise pointed out in the report by the Secretary of State, to the other bilateral conciliation treaties or conventions which are now in effect between the United States and other countries.

HARRY S. TRUMAN

THE WHITE HOUSE,

January 31, 1947.

(Enclosures: (1) Report of the Secretary of State; (2) Treaty of conciliation with the Republic of the Philippines.²)

REPORT OF THE SECRETARY OF STATE

January 29, 1947.

THE PRESIDENT:

The undersigned, the Secretary of State, has the honor to lay before the President, for transmission to the Senate with a view to receiving the advice and consent of that body to ratification, if his judgment approve thereof, a treaty of conciliation between the United States of America and the Republic of the Philippines signed at Manila on November 16, 1946.

The treaty provides for the establishment of a permanent International Commission of Conciliation to which the High Contracting Parties shall submit any dispute arising which may not be settled through the diplomatic channel and in case the High Contracting Parties do not have recourse to adjudication by a competent tribunal. In case no definite settlement shall have been reached through the submission of such dispute to the In-

ternational Commission, the treaty provides that the dispute shall be submitted to the jurisdiction of the International Court of Justice and that the High Contracting Parties shall be bound by the decision of the Court.

The provision relating to the submission of disputes to the International Court of Justice has not appeared in earlier treaties of conciliation to which the United States is a party, the conciliation treaty with the Republic of the Philippines being the first treaty of its kind concluded since the inception of the Court. With the exception of that provision, the provisions of the treaty are similar to those of the bilateral conciliation treaties or conventions between the United States and other countries to which the Senate has heretofore given advice and consent to ratification and which are now in effect.

Respectfully submitted.

GEORGE C. MARSHALL

(Enclosure: Treaty of conciliation with the Republic of the Philippines.³)

¹ S. Exec. C (80th Cong., 1st sess.).

² Treaty not printed.

³ Not printed.

Report to Congress on Foreign Surplus Disposal

LETTER OF TRANSMITTAL OF THE SECRETARY OF STATE¹

TO THE HONORABLE THE PRESIDENT
OF THE SENATE
THE HONORABLE THE SPEAKER OF THE
HOUSE OF REPRESENTATIVES

SIRS: In accordance with section 24 of the Surplus Property Act of 1944 there is transmitted herewith the fourth report of the Department of State on the disposal of United States surplus property in foreign areas. Incorporated therein is the report required from the Foreign Liquidation Commissioner by section 202 of the Philippine Rehabilitation Act of 1946 concerning the administration of Title II of that act.

Surplus property with an original cost of \$6,800,000,000 had been sold by December 31, 1946, with a total realization to the United States of \$1,590,000,000. Sales made on a cash basis for dollars, or their equivalent, accounted for one-fourth of the total realization. The remaining sales were made for foreign currencies or under dollar credits.

There still remained for sale or other disposal at the end of 1946 property with an original cost of \$1,365,000,000 already declared surplus. It is estimated that future declarations will amount to approximately two billion dollars. This estimate is tentative and subject to change as it is impossible to forecast months in advance what the exact requirements of our own forces will be.

Considerable progress has been made in the exchange of foreign surpluses for real estate needed by United States diplomatic missions and in the use of surplus property in implementing the Fulbright Act. That act provides for the use of foreign currency receipts from surplus sales to finance studies and research of American citizens abroad and to pay the transportation of foreign students to the United States.

During the past quarter an energetic sales program was continued and arrangements were made for the efficient, prompt, and economical

delivery of and final accounting for the property sold to the Governments of China, the Philippines, Italy, and Belgium in the preceding quarter.

It now appears, as a result of several developments, that the salable surplus yet to be declared is greater than preliminary estimates indicated. Some of these developments are mentioned in this report. It has not been possible at this time, however, to include estimates of either the original cost or realization to be obtained on returned lend-lease equipment or reparations plants, ships, and other equipment. While these additional disposals will delay the close-out of overseas disposal operations, the ultimate result—a larger dollar recovery to the taxpayers of their wartime outlays—is certainly desirable.

The sale of our overseas surplus property to war-ravaged countries has been a major factor in their rehabilitation and has contributed to the economic recovery prerequisite to the inauguration of a lasting peace. The use abroad of these products of American industry and agriculture will do much to foster postwar trade and the economic stability of the world.

GEORGE C. MARSHALL,
Secretary of State.

January 30, 1947.

Foreign Commerce Weekly

The following articles of interest to readers of the *BULLETIN* appeared in the January 25 issue of *Foreign Commerce Weekly*, a publication of the Department of Commerce, copies of which may be obtained from the Superintendent of Documents, Government Printing Office, for 15 cents each:

"Dutch Cigarette Market Poses Acute Problems", based on American consular reports from The Hague.

"Chilean Railways Expanding: Need for Equipment Is Seen", based on reports from the American Embassy, Santiago.

¹ Printed from Department of State publication 2722.

Report to Congress on Canol-1 Project Disposition¹

Secretary Byrnes transmitted to Congress on January 15 a report citing an agreement between the Governments of the United States and Canada covering disposition of the surplus crude-oil facilities of the Canol-1 Project. The facilities covered by the agreement consist of the pipeline from Norman Wells, Northwest Territories, to Whitehorse, Yukon Territory; the refinery at Whitehorse; and other related facilities.

The report also contained the proposed plan of disposition and the results of an on-the-spot investigation made by the office of Maj. Gen. Donald H. Connolly, the Foreign Liquidation Commissioner.

Terms of the agreement provide that the United States Government may sell all or any part of the facilities to Canadian or other buyers for either export or use in Canada, subject to local laws, but exempt from import duties and excise taxes. The United States may also remove any or all of the facilities not sold, and the Canadian Government may purchase from the United States any facilities which it desires to obtain.

Facilities which are neither sold nor removed during a period of two years after coming into force of this agreement may be left in place and regarded as of no value unless utilized. Canada has agreed that the United States shall be entitled to fair compensation if such facilities are utilized at some subsequent date.

The report on Canol-1 was submitted in accordance with the Surplus Property Act, which requires that plans covering disposition of pipelines and facilities for transporting petroleum products, costing in excess of \$5,000,000, be submitted to Congress prior to disposal.

The report states that investigation disclosed "no known economical post-war utilization as an entirety, and it is doubtful that any governmental or private agency will desire to acquire the pipeline and refinery for use in place. Therefore, dismantlement will be permitted and the objective of the disposal agency will be to obtain the maximum

monetary return in the disposition of the property consistent with the requirements of the Surplus Property Act."

The report points out that a survey of the Canol crude-oil facilities and related property has shown that the refinery and all property in the vicinity of Whitehorse are intact and can be generally classified as in good condition and properly stored. The pumping stations and ancillary equipment are intact and in excellent condition, and the pipeline has been damaged only slightly by a number of landslides and iceflows. Heavy construction equipment and vehicles along the Canol-1 road are in varying conditions, but about 20 percent of the major items originally classified as "used - repairs required - poor condition", were found irreparable and of no value except as scrap.

Congress was informed that detailed results of the field survey and an itemized list of property available for sale will be sent to all prospective purchasers in the near future, together with an invitation to bid. Canol Projects 2, 3, and 4, which are the finished products distribution systems of the over-all Canol Project, have not been declared surplus by the Army.

U.S.-Canadian Air-Transport Agreement Modified

[Released to the press January 29]

The Department of State announced on January 29 that, following talks between Canadian and United States aviation officials, certain modifications had been agreed upon with regard to the 1945 air agreement between the two countries. The United States carrier serving Ottawa and Montreal in separate flights from Washington and New York would be authorized to serve the former cities on the same flight. The Canadian carrier now operating between Toronto and Chicago was authorized to stop at Windsor, Canada, and was also authorized to operate from Toronto to Saulte Ste. Marie, Michigan, on its way to Winnipeg.

Further arrangements, to be announced later, will affect non-scheduled operation between the

¹ Released to the press Jan. 15, 1947 by the Office of the Foreign Liquidation Commissioner, Department of State.

two countries. Other matters relating to routes and the facilitation of traffic between the two countries continue to be under discussion.

In these discussions the United States was represented by Ray Atherton, United States Ambassador to Canada; James M. Landis, chairman, and Oswald Ryan, vice chairman, Civil Aeronautics Board. Canada was represented by C. D. Howe, Minister of Reconstruction; R. A. C. Henry, chairman, Air Transport Board; and J. H. Symington, president, Trans-Canada Airlines.

Governor General of Canada Visits U.S.

The Governor General of Canada, Field Marshal Alexander, Viscount of Tunis, and the Viscountess arrived in Washington on February 4 and remained at the Blair House as guests of this Government until February 6. The official party departed for New York on February 6.

Panamanian Director of Immigration Visits U.S.

Jinaro Lince, Director of the Department of Immigration in the Ministry of Foreign Affairs of Panama, has been extended a grant-in-aid by the Department of State to enable him to observe immigration centers and to study immigration regulations in the United States. Mr. Lince has indicated that the Government of Panama is interested in drafting new immigration laws.

Protocol on the Inter-American Registration of Trade Marks

The Pan American Union informed the Department by a letter of December 5, 1946 that the Government of Panama had given notice on November 18, 1946 of its denunciation of the protocol on the inter-American registration of trade marks,¹ signed at Washington on February 20, 1929. The protocol will cease to be in force as regards Panama on November 18, 1947. Countries which had previously denounced the protocol are the United States, Haiti, Honduras, and Peru.

Dates Extended for ITO Hearings Notifications

[Released to the press January 31]

The Department of State announced on January 31 that the period has been extended for receipt of notification of desire to present views at the forthcoming informal hearings on the proposed charter for an International Trade Organization.

The Department also announced that arrangements have been made to hold ITO hearings in New York on February 27 and 28, in addition to those scheduled for Washington on February 25; Chicago, Boston, and New Orleans on March 3; Denver and San Francisco on March 10.

All persons desiring to present oral views at any of these hearings should inform the Executive Secretary, Executive Committee on Economic Foreign Policy, Room 133, Department of State, Washington. Persons wishing to appear in Washington or New York should notify the committee in writing not later than *February 12, 1947*.² Persons expecting to present oral views at hearings in Boston, Chicago, New Orleans, San Francisco, or Denver should notify the committee not later than *February 20, 1947*.² It is requested that each letter state at which of the cities listed above the writer wishes to be present.

Views in writing regarding the proposed charter for an International Trade Organization may be transmitted to the Executive Secretary of the Committee, preferably by February 12, 1947, and in any event not later than March 1, 1947.

All persons desiring to present oral views will be advised by the Executive Secretary, Executive Committee on Economic Foreign Policy, regarding the time of individual appearances. Locations for the meetings in the various cities, together with the composition of each panel, will be announced as soon as possible.

¹ Treaty Series 833.

² Dates supersede those announced in the BULLETIN of Jan. 12, 1947, p. 69.

U. S. Withdraws From Committee of Three¹

[Released to the press January 29]

The United States Government has decided to terminate its connection with the Committee of Three which was established in Chungking for the purpose of terminating hostilities in China and of which General Marshall was chairman. The United States Government also has decided to terminate its connection with Executive Headquarters which was established in Peiping by the Committee of Three for the purpose of supervising in the field the execution of the agreements for the cessation of hostilities and the demobilization and reorganization of the armed forces in China.

The American personnel involved in Executive Headquarters will be withdrawn as soon as possible.

U. S. Welcomes Self-Government for Burma

[Released to the press January 28]

The Department of State welcomes the announcement that the conversations between the British Government and Burmese political leaders in London have ended with a mutually satisfactory settlement placing Burma well on the road to full self-government. We look forward to increasingly cordial relations with this emerging Asiatic country.

Letters of Credence

Chile

The newly appointed Ambassador of Chile, Señor Don Felix Nieto del Rio, presented his credentials to the President on January 27. For texts of the translation of the Ambassador's remarks and for the President's reply, see Department of State press release 67 of January 27.

¹ The Committee of Three was composed of Gen. George C. Marshall, a Chinese Government representative, and a Communist representative. The Committee was subsequently used as an instrument of mediation and negotiation between the Chinese Government and the Chinese Communists.

THE DEPARTMENT

Confirmations

On January 17 the Senate confirmed the nomination of Willard L. Thorp to be an Assistant Secretary of State.

Departmental Regulations

142.11 Division of Central America and Panama Affairs (CPA): (Effective 9-25-46)

I FUNCTIONS. Under the general direction of the Director of the Office of American Republic Affairs (ARA), CPA shall be responsible for the formulation and coordination of over-all United States policy and action in regard to all aspects of the relation of the United States with countries in the area of responsibility; and, as to these countries, the coordination of the programs and activities of other Divisions and Offices of the Department and of other governmental agencies with over-all United States foreign policy.

II AREA OF RESPONSIBILITY. The area of responsibility of CPA shall be as follows: Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, and Panama. Jurisdiction with respect to the non-United States colonial possession (British Honduras) is shared with the appropriate Division of the Office of European Affairs (EUR).

142.12 Division of Caribbean Affairs (CRB): (Effective 2-1-47)

I FUNCTIONS. Under the general direction of the Director of the Office of American Republic Affairs (ARA), CRB shall be responsible for the formulation and coordination of over-all United States policy and action in regard to all aspects of the relations of the United States with countries in the area of responsibility; and, as to these countries, the coordination of the programs and activities of other Divisions and Offices of the Department and of other governmental agencies with over-all United States foreign policy.

II AREA OF RESPONSIBILITY. The area of responsibility of CRB shall be as follows: Cuba, Haiti, Dominican Republic, the Guianas, and the colonial islands in the Caribbean area. These colonial islands include Puerto Rico and the Virgin Islands which are administered under the United States Department of the Interior, and island possessions of the British, French, and Dutch Governments. Jurisdiction with respect to the non-United States colonial possessions is shared with the appropriate Divisions of the Office of European Affairs (EUR).

181.1 Caribbean Commission: (Effective 1-17-47)

I GENERAL. The Caribbean Commission (previously designated the Anglo-American Caribbean Commission) was created March 9, 1942 under the terms of the joint communiqué issued by the Governments of the United States and the United Kingdom. Subsequently, the membership was expanded to include the Netherlands and France. The four-nation Commission operates within the framework of the Agreement for the Establishment of the Caribbean Commission, the text of which was initialed on July 15, 1946, in Washington, D. C., by representatives of France, the Netherlands, the United Kingdom, and the United States. The purpose of the Commission is to encourage and strengthen social and economic cooperation among the member countries relative to their territories and possessions in the area known geographically and politically as the Caribbean. The Commission serves as an advisory and consultative body to the member governments and concerns itself with economic and social matters of common interest to the Caribbean area, particularly agriculture, housing, health, education, fisheries, industry, communications, social welfare, labor, and trade. Where the Commission's advice requires administrative action, the Commission works with the appropriate agencies of the member governments having responsibility for the problem in question.

II ORGANIZATION. The Commission is composed of not more than sixteen members appointed by four member governments; the United States, the United Kingdom, the Netherlands, and France, each of which appoints not more than four Commissioners. The chairman of each national section also serves as Co-Chairman of the Commission. The Commission is serviced by a Central Secretariat located at Trinidad. The Research Council and the West Indian Conference are auxiliary bodies of the Caribbean Commission which respectively facilitate necessary research and provide a vehicle for participation by delegates of the territories.

III UNITED STATES SECTION OF CARIBBEAN COMMISSION (AACC). The designation *United States Section of the Caribbean Commission* shall identify the Commissioners appointed by the United States Government to serve on the Caribbean Commission. The Chairman of the United States Section shall represent the United States Commissioners in the Department of State and shall hold the office of a Special Adviser to the Secretary of State. The Chairman of the United States Section shall be directly responsible to the Secretary of State in his capacity of a Special Adviser.

IV UNITED STATES SECTION (CARIBBEAN COMMISSION) WORKING STAFF (DA/C). The staff is hereby transferred from the office of the Secretary of State to the Division of Dependent Area Affairs (DA) in the Office of Special Political Affairs (SPA) and is to be administered as a section of the Non-Self-Governing Territories Branch. The Working Staff has two major functions, namely, (a) to

provide necessary staff facilities for the United States Co-Chairman or any of the United States Commissioners through the Co-Chairman and (b) to assist the Department of State. These functions include such responsibilities as the following:

A To assemble and coordinate information on matters under consideration by or of future interest to the United States Commissioners.

B To review budget estimates of the Caribbean Commission in the light of United States foreign policy and defend the United States share of the approved budget for the Bureau of the Budget and the Congress.

C To review projects and other matters initiated by the Central Secretariat of the Caribbean Commission for conformance to United States foreign policy.

D Currently to inform, through appropriate channels, the interested Offices and Divisions of the Department and other Government agencies of matters under discussion or recommendation made by the Commission.

E To interpret and explain the basis for the Commission's recommendations.

F To serve as a channel of communication between the Central Secretariat of AACC, the Department, and other Government agencies.

V RELATIONSHIPS OF THE UNITED STATES SECTION AND WORKING STAFF TO THE DEPARTMENT. The various Divisions of the Department will assist the United States Section in administrative service matters within the limitations of the authority delegated to the respective Divisions. Matters of policy affecting relations with European possessions will be cleared with the appropriate Divisions of the Office of European Affairs (EUR) and those affecting relations with American republics through the Division of Caribbean Affairs (CRB). When necessary the United States Section and DA/C will consult with other interested Offices or Divisions of the Department. The United States Section through DA will reciprocally cooperate with EUR and the Office of American Republic Affairs (ARA) in the exchange of information of common concern.

Appointment of Officers

Ernest A. Gross as Deputy to the Assistant Secretary for Occupied Areas, effective January 13, 1947.

C. Tyler Wood as Deputy to the Assistant Secretary for Economic Affairs, effective January 17, 1947.

Wilfred Malenbaum as Chief, Division of International and Functional Intelligence, effective December 1, 1946.

John C. Dreier as Chief, Division of Special Inter-American Affairs, effective January 12, 1947.

Robert Newbegin as Chief, Division of Central America and Panama Affairs, effective November 13, 1946.

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Contributors

Velma Hastings Cassidy prepared the article on the beginnings of self-government in the American zone of Germany, in collaboration with the office of the Assistant Secretary for occupied areas, Department of State. Mrs. Cassidy is Research Associate in the Foreign Policy Studies Branch, Division of Historical Policy Research, Office of Public Affairs, Department of State.

The Department of State

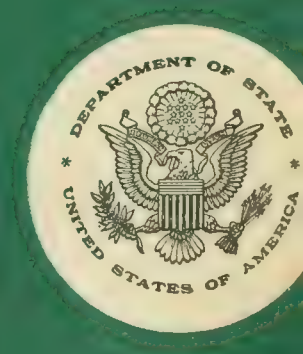
bulletin

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WORLD DISTRIBUTION OF GRAIN EXPORTS

by L. Ingemann Highby

The International Emergency Food Council has been confronted with the perplexing problem of distributing equitably grain from major surplus areas of the world, in order to meet the critical food situation which developed as an aftermath of war and from poor crops and adverse planting and harvesting conditions.

In view of generally favorable crop reports in 1946, particularly in Europe and the Western Hemisphere, it comes as a matter of surprise that the over-all world cereals supply situation is scarcely less serious this winter and spring than it was a year ago. It has become increasingly apparent that better crops will not prevent another acute food crisis from developing in most importing countries. Headlines about better crops in 1946 were so welcome amid the food crisis then existing that a feeling of relief developed in many quarters.

With few exceptions, importing countries are still continuing the low level of rations adopted as emergency measures a year ago. Great Britain is on bread rations this year for the first time in its history, and is now getting along with materially lower stocks than a year ago. It is expected that a further cut in the already low rations of countries on the Continent cannot be avoided. In fact, the situation in some areas may be said to be worse than a year ago and worse than anything experienced during the war period. A few of the reasons for this apparently anomalous situation may be enumerated.

1. Much of the increased total production of all grains was in areas which are not important in the movement of grain in international trade—for example, Spain, Turkey, parts of eastern Europe, central Russia, China, and so forth.

2. The increase was confined to a large extent to coarse grains, especially corn and oats, use of which for direct human food is limited.

3. Bad harvesting weather and poor threshing results, notably in western Europe, have reduced many crop estimates from earlier indications.

4. End-of-season stocks in both exporting and importing countries were so reduced as to make some replenishing necessary this season, a circumstance which has had its effect both upon export availabilities and import requirements.

5. Continued reduced rice crops in the Orient and shortages of other foods and feedstuffs have made grain requirements abnormally large.

6. Although a substantial part of the world increase in grain production in 1946 is accounted for by the record wheat and corn crops and the near-record oats crop in the United States, this country is unable, due to limitations of rail transport, port loading capacity, and the great loss in shipments resulting from the series of maritime and other strikes during late 1946, to export all of its grain surplus.

World Import Grain Requirements and Export Availabilities as Developed in International Emergency Food Council

Last year the Cereals Committee of the Combined Food Board had to deal with world import requirements for the crop year 1945-46 (identical with the fiscal year, July through June) of 30,000,000 tons of wheat and a total availability of 24,500,000 tons. This estimate of requirements-availabilities was made December 1945. The incidence of practically all of this deficit fell in the half year from January to June 1946, since re-

quirements as stated for the July–December 1945 period were either actually met or transferred into the next half year for implementation. Stated requirements were subsequently increased to about 20,000,000 tons for the first half of 1946 as against the 12,500,000 tons estimated as available in that period. Thus the gap between stated requirements and availabilities of wheat amounted to about 7,500,000 long tons (about 280,000,000 bushels). Limited quantities of grains other than wheat, such as corn, rye, barley and oats, were also shipped in that period for use as human food.

In the present crop year screening of requirements and programming of exports takes place under guidance of the International Emergency Food Council, a unit of the Food and Agriculture Organization, to succeed to the Combined Food Board.¹ All major countries belonging to the United Nations are members of this Council, with the exception of the Union of Soviet Socialist Republics and Argentina. The Cereals Committee of the Council is composed of 22 countries, which also have membership in the Council. It will be seen, therefore, that the study of grain needs is placed on a broad international basis.

An important forward step was taken in international cooperation in this field on December 8, 1946 when the Cereals Committee of the IEFC accepted a report of its subcommittee on supplies and requirements which presented a balance sheet adjusting import requirements in grains to estimated export availabilities. It was understood that the reduced requirements thus accepted were subject to continuous review and revision. Questionnaires had been sent to the claimant countries in the early summer calling for detailed information to serve as a basis for evaluation of stated requirements. On the basis of replies to these questionnaires and the best information otherwise available, detailed statistical statements were drawn up which served as a basis for the review of the requirements of individual countries. Representatives of claimant countries appeared before the Committee to clarify points of uncertainty and difficulty. Finally the balance sheet was drawn up adjusting requirements to estimated world export availabilities to serve as a guide for both importing and exporting countries. The balance sheet thus reported represents a product

of intense study of requirements from about the first of September.

The United States is formulating its export programs within the framework of the pattern recommended by the IEFC. Programs have been announced in advance for each of the first three months of 1947. Although the action taken by the IEFC Cereals Committee does not effect an international allocation in grains in the sense that sources and destinations are indicated for individual countries, it does indicate total amounts to be shipped within the crop year, and thus represents a great forward step which has gone far to bring order out of the confusion of conflicting claims and to enable export programs to be formulated intelligently.

The Cereals Committee was confronted in December by total stated requirements of 38,000,000 tons as compared with a total estimated export availability at that time of somewhat over 25,000,000 tons of all grains. Of this 25,000,000 tons, about 18,000,000 only is in wheat and wheat flour in terms of wheat as compared to some 24,000,000 last season, or about three fourths as much. Additional requirements have since been received which bring the total of officially stated import requirements to about 39,000,000 tons. Thus availability as calculated in December extends to only about 60 percent of requirements as presently stated. Of the exportable total of 25,000,000, nearly half was moved during the first six months (July–December). More than half of the available *wheat*, however, was shipped in that period, leaving a relatively larger quantity and greater proportion of other grains to move in the first half of 1947. This is the period of heaviest wheat import requirements because of the extensive utilization of domestic crop supplies earlier in the season. Consequently a serious world-deficit position for wheat is in prospect, most especially during the winter period from January to April, when Canadian movement is retarded and shipments from Australia and Argentina will not yet have reached any considerable volume. Pressure of the claimant countries concentrates strongly upon the United States during this period as the main source. Especially in this situation true in view of the fact that the balance to be shipped from Canada outside of large commitments to Great Britain and minor ones to Belgium and the Netherlands is very small.

¹ BULLETIN of June 23, 1946, p. 1075.

United States Grain Export Program

The goal of the United States which was announced early in the crop year and has at this writing not been officially changed is the export of 400,000,000 bushels (10,400,000 tons) of wheat and secondary grains (chiefly corn) as its part of the total 25,000,000-ton world availability. In a very real sense it may be stated that the United States goal is for exporting the greatest possible quantity which supply and transportation limitations will permit. There is a large supply of secondary grains, but a limited supply of wheat. It can therefore be said that volume of export of *grain* is only limited by transportation. There is, however, a limit to the extent to which corn and other coarse grains can be used by bread-eating populations as a substitute for wheat. Consequently, from this point of view exports of grains *for food use* from the United States are necessarily limited by the available supply of wheat rather than by transportation.

Export of wheat from the United States in the crucial world deficit year 1945-46 was over four times the average amount from the crop years 1929-30 to 1934-35 and over seven times as great as the average for the years 1938-39 to 1941-42. This export was made possible by a large carry-over from the previous crop year of 280,000,000 bushels, the bumper 1945 crop, the restrictions placed upon use of grain for human food and industrial use, special price inducements made by the Government to secure export wheat toward the end of the crop year, and reduction of the carry-over to a precariously low level. Since the carry-over of wheat from the 1945 crop was much smaller (only 101,000,000 bushels), the total supply of wheat, and consequently the export availability this year, is, in spite of a slightly larger crop and greatly reduced use for feeding, somewhat smaller than last year. On this account a considerable part of the United States export goal, which is just as high as last year, must necessarily be made up of secondary grains.²

A statistical balance between requirements and availability was achieved by the IEFC only by recommendations involving drastic cuts in consumption below levels proposed and even below those held during the last part of 1946; by

increased use of indigenous grain, including coarse grains, for human food; and by reduction of stockpiles to very low levels. In some cases where statistical errors were subsequently demonstrated or new information showed that savings which had been recommended by the Committee were impossible, requirements have been revised upward, thus unsettling the balance on the requirements side. Furthermore, availability is reduced by whatever quantities are shipped by Argentina or other countries outside of the IEFC over and above the totals indicated by the IEFC as the fair share of each country from all sources. A further reduction in total availability results from movement of coarse grains for other than food use. The result is to diminish the total availability of some 25,000,000 tons which was considered by the IEFC in striking its balance in December. Only by some great increase in movement beyond that hitherto thought possible from the main exporting countries could this new deficit be overcome and the greatly reduced requirements resulting from the drastic screening by IEFC be fulfilled.

The only country from which any considerable increase in shipments could be expected is the United States, since availability from Canada and Argentina is limited by supply. It is clear that whatever increase could be effected by the United States would have in the first instance to go toward offsetting the deficit referred to above. Any new or increased requirements can be met only by reducing amounts earmarked for other claimants whose requirements have already been greatly reduced, or by increasing availability from the United States to cover not only the deficit which has already developed in connection with the established requirements but also for such new requirements. It is highly problematic whether any increase in shipments of such proportions from the United States can be achieved. Certainly it cannot be counted upon at this stage when more than four months still remain of the crop year. There is uncertainty regarding the effective maintenance, throughout the balance of the crop year, of the present high priorities on inland transportation for grain movement. Furthermore since supplies of wheat are limited and any properly balanced program must be made up—to the extent of about two thirds—by wheat and wheat flour, it

(Continued on page 304)

² For an article by James A. Stillwell on U.S. interests in world food problems, see BULLETIN of Nov. 24, 1946, p. 927.

PRELIMINARY PROPOSALS FOR AN INTERNATIONAL TRADE ORGANIZATION

The two articles presented below on commodity arrangements and on the organization are the last in a series of articles on the work of the Preparatory Committee of the Economic and Social Council for the establishment of an international trade organization of the United Nations. The Preparatory Committee held its first meeting in London from October 15 to November 26, 1946. In preceding issues of the BULLETIN appeared articles on commercial policy, restrictive business practices, employment and economic activity, and industrial development.

Intergovernmental Commodity Arrangements¹

An article

Committee IV of the Preparatory Committee for the International Conference on Trade and Employment, which met at London from October 15 to November 26, 1946, prepared a complete chapter on intergovernmental commodity arrangements for inclusion in the draft Charter of the International Trade Organization. The chapter sets forth the objectives of commodity policy, a procedure for intergovernmental commodity consultation and agreement, and principles to govern the operation of particular commodity arrangements.

The Preparatory Committee accepted the draft chapter as prepared by Committee IV and adopted a recommendation that, pending the establishment of the International Trade Organization, this chapter be used as a guide in intergovernmental consultations on commodity problems and that an Interim Coordinating Committee for Intergovernmental Commodity Arrangements be set up by the United Nations.

¹ The work of Committee IV: Intergovernmental Commodity Arrangements.

Need for Commodity Arrangements

The basis for a commodity-arrangements chapter lies in the fact that, for some primary commodities, the short-run adjustment of production to demand presents difficulties different in character from those encountered in other industries. In the case of certain agricultural products, due to relative inelasticity in supply and demand, burdensome surpluses are created and prices are seriously depressed, but producers cannot move rapidly enough to adjust themselves to the new situation. In the case of some minerals, specialized producing communities are subject to mass unemployment without alternative occupational opportunities, even at times when the general level of world economic activity is not depressed. Under these circumstances governments almost everywhere have intervened in the production and distribution process. Such intervention has frequently resulted in economic warfare and the restriction and distortion of world trade. It is the purpose of intergovernmental commodity arrangements to allevi-

ate the distress caused by those situations while facilitating the necessary processes of readjustment.

Most of the delegations at the London meeting were of the opinion that a program of intergovernmental commodity agreements was an essential feature of a successful international trade organization.

Principles of Commodity Arrangements

The Committee agreed that, to avoid abuse of the commodity-arrangement device and to make arrangements conform with the trade-expansion purposes of the Organization, *all* intergovernmental commodity arrangements should be governed by certain principles. These may be summarized as follows:

1. Such arrangements should be open initially on equally favorable terms to any government member of the International Trade Organization and any invited non-member government.

2. They should give an equal number of votes to importing countries and exporting countries, each group taken as a whole and each participating in adequate number, and should also give an appropriate vote to other countries having a large interest in the commodity.

3. They should expand world consumption.

4. They should be negotiated and operated with full publicity.

Of these general principles, greatest emphasis was placed on equal voting by importers and exporters. One country, however, dissented from a rigid formulation of this principle, insisting that the requirement be merely that votes be apportioned "equitably" between the two groups of countries. The Committee adhered to the rigid formulation. It was felt that this principle would assure reasonableness in decisions taken, since either group would have to attract some votes from the other in order to obtain a majority. This situation would be particularly true if, as is the case in many arrangements, substantive decisions required more than a bare majority of the votes.

Certain additional principles and conditions would have to be satisfied in the case of arrangements that involved the regulation of production, trade, or prices, such arrangements being defined as *regulatory agreements* for the purposes of the chapter. These principles may be summarized as follows:

1. Such agreements should assure adequate supplies of the commodity for world demand at reasonable prices.

2. They should afford increasing opportunities for satisfying world demand from the most economic sources of supply.

3. The participating countries should adopt a program of economic adjustment to insure progress toward solution of the difficulty that gave rise to the agreement.

4. Such agreements should be limited in duration and subject to periodic review.

5. They should give members of the International Trade Organization not participating in the agreements treatment comparable to that accorded any participating country.

The last principle in the list is designed to make it unnecessary for each member country to join an agreement merely to protect its rights.

An even more important limitation on regulatory agreements than any of the foregoing principles, however, is the requirement that agreements dealing with primary products be employed only under one of the following conditions:

1. When there is or is expected to be a burdensome surplus that, because of the inelasticities in the commodity's supply and demand, cannot be corrected by market forces rapidly enough to prevent wide-spread hardship to producers;

2. When there is or is expected to be wide-spread unemployment in the producing industry in areas that do not afford alternative employment opportunities.

Agreements dealing with non-primary products, as for example a synthetic product competing with a primary product, can be entered into only when the Organization makes a special exception. In such cases the agreement must conform not only to the principles set forth but also to any additional requirements which the Organization may establish.

Some delegations doubted that agreements regulating prices exclusively through purchase and sale ought properly to be subject to conditions as rigorous as those imposed upon agreements regulating trade or production. The Committee decided, however, that primary commodity-price-stabilization operations, if not associated with controls on production or trade, would tend to aggravate existing surplus situations and might even

stimulate the accumulation of surpluses that would not otherwise appear. Hence, all agreements regulating prices directly or indirectly were made subject to the foregoing rules.

It was felt that conditions for the employment of regulatory agreements were of crucial importance. The whole basis for a commodity chapter in a charter devoted to the expansion of trade and employment lies in the existence of certain cases where intergovernmental consultation is an essential step toward such expansion. On the other hand, to encourage intergovernmental consultation and intervention in fields where private intervention to restrict output and consumption had previously operated would defeat the basic purposes of the Charter which relate to restrictive business practices. The requirements were, therefore, carefully drawn to permit necessary arrangements and to prevent private restrictions from being shifted to an intergovernmental basis.

Different Types of Arrangements

The Committee gave careful consideration to the question of price stabilization and agreed that moderation of pronounced fluctuations in prices above and below the long-run equilibrium of supply and demand was an appropriate objective of regulatory agreements. There was some debate as to whether such stabilization measures would be needed in cases where the conditions justifying a regulatory agreement did not exist. The Committee agreed, however, that such cases were unlikely, since commodities not the subject of national government intervention, because of a tendency either to burdensome surplus or to concentrated unemployment, would not be likely to suffer extreme price fluctuations.

The Committee agreed to except from the provisions of the chapter intergovernmental arrangements relating solely to the equitable distribution of commodities in short supply. It was recognized that such arrangements would not necessarily meet the conditions stipulated in the chapter. Moreover, it was felt that conditions of global short supply would be of infrequent occurrence once wartime shortages had disappeared. It was pointed out in the discussions, however, that agreements concluded under the chapter might appropriately provide for equitable distribution during a temporary period of short supply.

The Committee was not entirely satisfied that it

had dealt consistently with the problem of conservation agreements, such as international fisheries conventions. It recognized the maintenance, development, and protection of exhaustible natural resources as an objective of commodity arrangements. The discussion brought out that arrangements with this objective would in many cases have to regulate production or trade in order to achieve their objective. Yet few if any of the commodities involved would meet the conditions laid down by the Committee to justify regulatory agreements. The Committee agreed to call this matter to the attention of the Interim Drafting Committee. One line of solution would be to put conservation agreements (as did the United States *Suggested Charter*) among the arrangements which are excepted from the chapter unless they are used to accomplish results inconsistent with its objectives.

Steps in Arriving at Intergovernmental Arrangements

The draft commodity chapter prepared by Committee IV provides for three steps in the procedure for dealing with a commodity for which special difficulties exist or are expected: a study group, a conference, and a commodity council.

A study group would be set up by the International Trade Organization when a member government substantially interested in the production, consumption, or trade of a commodity considered that special difficulties existed or were expected to arise regarding the commodity, except in the case in which the Organization found that there was no *prima facie* basis for the member's view. That group would consist of all member governments substantially interested in the commodity and such interested non-members as the Organization invited. It was contemplated in the discussions that the Organization would usually invite the participation of any country having a large share in the trade in the commodity, whether or not it was a member. If such a country were not represented, intergovernmental consultation on the problems of the commodity could hardly be effective. The study group would investigate the root causes of the alleged special difficulties and would report the relevant facts promptly. If it found that the special difficulties did in fact exist, it would make recommendations for dealing with them.

An intergovernmental commodity conference

would, without undue delay, discuss measures designed to meet the special difficulties of a particular commodity. A conference might be a second step, on the basis of the recommendations of a study group, or it might be a first step taken on the basis of information agreed by interested member governments to be adequate. A conference might be called by the Organization on its own initiative. It was contemplated in Committee IV that participation in a conference, although still confined to interested countries, would be somewhat more complete than that in a study group. The product of a conference, it was anticipated, would frequently be a specific proposal for an intergovernmental commodity arrangement to go into effect upon ratification by a certain group of governments.

For regulatory agreements, a governing body would be established—or a commodity council—composed of representatives of participating countries and a non-voting person or persons appointed by the Organization. The council would appoint a secretariat after consultation with the Organization. The Council would make reports to the Organization periodically and in any special case that the Organization might require.

It would be the function of the commodity council to administer the provisions of the agreement adopted for the commodity concerned. Presumably, the methods employed would vary from commodity to commodity. The one thing all would have in common would be the assurance of exhaustive intergovernmental consultation. The basic hope of the drafters of the commodity chapter is that such consultation will lead to reasonable compromise solutions that will prevent resort to the economic warfare that was the result of special commodity difficulties in the inter-war period.

Coordination and Control of International Commodity Arrangements

It was felt important that individual commodity arrangements, particularly of the regulatory type, once established, be consistent with one another, with international commercial policy, and with the programs for nutrition and production expected to be developed and recommended by the Food and Agriculture Organization of the United Nations.

Provision was therefore made for the following relationships, some of which appear in portions

of the draft Charter not dealt with primarily by Committee IV:

1. The Organization would contain a Commodity Commission of experts, which would initially perform most of the functions of the Organization with regard to commodity arrangements, would keep all commodity arrangements under continuous surveillance, and would prepare recommendations regarding those arrangements.

2. The Commodity Commission would be coordinated with a Commercial Policy Commission and a Business Practices Commission, and the work of the three would be under the Executive Board of the Organization. The Executive Board would make recommendations regarding commodity arrangements to governments, to the Conference of the Organization, or to other international organizations.

3. The Organization would name non-voting members of all study groups, commodity conferences, and commodity councils.

4. The Organization would invite other competent specialized agencies to name non-voting members to those commodity bodies. Since a large number of the commodities encountering special difficulties are expected to be agricultural, the Food and Agriculture Organization is specially mentioned in the commodity chapter in this connection. The Food and Agriculture Organization might also be invited to name a member of the Commodity Commission and of the Interim Coordinating Committee for International Commodity Arrangements.

5. Commodity councils and other policy bodies associated with individual commodity agreements would be composed of representatives of governments whose instructions would presumably be consistent with those of the representatives of the same governments on other commodity councils and on the policy bodies of the Organization, the Food and Agriculture Organization, and other United Nations bodies. Governments would agree to conform with the recommendations of the Organization as concerned their participation in commodity arrangements.

The Committee was aware of the importance of the fact that the commodity conferences and commodity councils would be composed of fully accredited representatives of governments. Agreements reached in such bodies would not be easily

susceptible of modification in the light of subsequent findings or recommendations of an expert commission or of an international secretariat. For this reason a large part of any coordination and integration accomplished at the international level would have to be achieved through representatives of the Organization, the Food and Agriculture Organization, or other competent organizations sitting with the various commodity policy bodies. Such representatives should, therefore, be persons of the highest quality as to experience, reputation, and capability. This consideration is also of importance in staffing the Commodity Commission and the Interim Co-ordinating Committee for International Commodity Arrangements. The latter would function as a preparatory group for the Commodity Commission. The influence of capable international representatives in intergovernmental commodity deliberations can be an important factor in obtaining a maximum expansion of trade and consumption and the most expeditious arrangements for bringing about necessary shifts in production.

Differences Between the U. S. Draft Charter and the Preparatory Committee Charter for an International Trade Organization

The most noticeable difference between the two charters is organizational in character. In the Preparatory Committee draft a sharp distinction is drawn between intergovernmental commodity arrangements broadly interpreted and the narrower intergovernmental commodity agreements which regulate production, trade, or prices. Accordingly the general objectives and principles for all intergovernmental commodity arrangements and the techniques for studying and solving difficult commodity problems are set forth. These are followed by special provisions relating specifically to intergovernmental commodity agreements regulatory in character. The Preparatory Committee Charter provides that such agreements must conform not only to the general principles for arrangements but also to a set of special principles which appropriately relate to regulatory agreements only.

The objectives in the Preparatory Committee Charter are broader in scope than those originally presented in the U.S. draft. The moderation of

extreme price fluctuations, the protection of natural resources from unnecessary exhaustion, and the expansion in production of primary commodities in extremely short supply have been added to the objectives set forth in the U.S. draft.

A technique has been introduced to prevent unreasonable delays by study groups on commodity conferences from preventing countries from taking necessary action. Under this method countries would be free to engage in direct negotiations if delays were unreasonable. However, such negotiations and agreements would have to conform to the principles and requirements of the Charter.

A major improvement over the U.S. draft is the addition of a provision for the settlement of disputes, and several definitions needed for purposes of clarification.

In general it may be said that the Charter prepared by the Preparatory Commission improved upon the U.S. *Suggested Charter* through drafting and editorial changes, through reorganization of the material, and through the addition of new material. All of the major principles and requirements which the United States had included in the *Suggested Charter* were retained and improved in the Charter submitted by the Preparatory Committee.

PUBLICATIONS

The following Department of State publications may be of interest to readers of the BULLETIN:

Proposals for Expansion of World Trade and Employment, Developed by a Technical Staff within the Government of the United States in Preparation for an International Conference on Trade and Employment and Presented for Consideration by the Peoples of the World. Commercial Policy Series 79. Publication 2411.

American Trade Proposals. Commercial Policy Series 88. Publication 2551.

Suggested Charter for an International Trade Organization of the United Nations. An elaboration of the United States *Proposals for Expansion of World Trade and Employment* prepared by a technical staff within the Government of the United States and presented as a basis for public discussion. Commercial Policy Series 93. Publication 2598.

Preliminary Draft Charter for the International Trade Organization of the United Nations. Articles as drafted at the London Meeting, October 15–November 26, 1946, by the Preparatory Committee of the International Conference on Trade and Employment. Commercial Policy Series 98. Publication 2728.

Organizational Questions at the London Meeting¹

An article

The United States Suggested Draft Charter

The *Suggested Charter* for the proposed International Trade Organization, prepared by the United States Government and submitted to the London meeting, contained chapters² on organizational matters which provide for a structure resembling those of other specialized agencies such as the Food and Agriculture Organization, International Civil Aviation Organization, and United Nations Educational, Scientific and Cultural Organization. Under these chapters, the policies of the Organization would be determined by the Conference, consisting of the representatives of all the member governments, and responsibility for the execution of these policies would be placed in the Executive Board, composed of the representatives of 15 of the member governments. There would also be a Director General and a Secretariat to carry on the administrative work of the Organization subject to the general supervision of the Board.

The United States suggested draft, however, contained a significant difference from the usual pattern of specialized organization in that it provided for the establishment of three commissions:³ one in the field of commercial policy, one in the field of restrictive business practices, and one in the field of commodities. These Commissions would be composed of experts acting in their individual capacities, organizationally distinct from the Secretariat, and would not be responsible to the Director General.

These commissions would make expert recommendations in their respective fields directly to the Board, which would take such action upon them as it deemed appropriate with a view to their practical application. The reason lying behind the United States proposal was that it would be the responsibility of the ITO to deal with three separate, although related, fields. Each field is technical in its nature and will involve problems and probably disputes which will require the unbiased judgment of experts with the highest prestige and broadest experience possible within

their respective fields. It was felt that these bodies should be given authority and prestige commensurate with their responsibility.

In addition to the functions assigned by the United States suggested draft to the ITO in the fields of commercial policy, cartels, and commodities, the draft also suggested that certain special functions be performed. Thus it suggested that the Organization provide technical assistance and advice in connection with specific projects of industrialization or economic development; that it prepare and recommend international conventions designed to improve the basis of trade and to assure just and equitable treatment for the enterprises, skills, capital, arts, and technology brought from one country to another; and that it cooperate with the United Nations and other intergovernmental organizations in the attainment of the economic and social objectives of the United Nations and the maintenance or restoration of international peace and security.

The United States suggested draft provided for an Interim Tariff Committee composed of those members of the Organization which had already fulfilled their responsibilities with respect to the reduction of tariffs. This Committee would have the responsibility of assuring that other members take corresponding steps. The United States draft laid particular stress upon cooperation with the United Nations and with other specialized agencies and with non-governmental international organizations and contained a special provision regarding the absorption by the ITO of the activities of older international organizations whose functions lie within its scope of action. Finally provision was made for the settling of disputes concerning the interpretation of the charter within the ITO itself, appeal to the International Court

¹ The work of Committee V, Administration and Organization.

² Chaps. II and VII.

³ The International Civil Aviation Organization (ICAO) has an Air Navigation Commission which has a structure comparable to those of the three commissions proposed by the United States for the International Trade Organization.

of Justice being provided only with the consent of the Conference.⁴

Committee V of the London meeting, to which were assigned the organizational aspects of the ITO charter, accepted the United States suggested draft charter as a basis for its discussion. It developed agreed texts on all the articles involved except those dealing with voting, the method of composition of the Executive Board, and the specific functions of the Commissions. The questions of voting and composition of the Executive Board were fully discussed and referred to the Interim Drafting Committee,⁵ which is now engaged in drawing up alternative draft texts in the light of these discussions.

Membership and Functions

The liberal provisions of the United States draft concerning membership were accepted with an amendment permitting the admission of new members by the Conference of the International Trade Organization without the prior approval of the Executive Board.

Two significant changes were made in the article on functions of the Organization. First, the above-mentioned function of the Organization to develop and to obtain general acceptance of conventions and agreements designed to assure just and equitable treatment for foreign enterprises was considerably broadened. The Committee gave a very broad interpretation to the scope of these agreements and provided that members must either accept them or explain to the Organization within a period of 18 months their reasons for non-acceptance. Secondly, the Committee laid particular stress upon the need for cooperation and avoidance of overlapping between the International Trade Organization, the United Nations, and the other specialized agencies. A special clause was added setting up the achievement of economy of effort among the various organizations as a function of the Organization. Committee V left open the question of what functions the Organization should assume in the field of economic development and industrialization,

pending the decision of the Economic and Social Council on this matter.

The Conference

The Committee adopted substantially the provisions of the United States draft as to the Conference. However, the provision under which the Conference may provide for the possibility of waiver in exceptional circumstances of the obligations of members was extended to cover all obligations assumed under the charter and not solely those in the field of commercial policy. This was done as a result of the concern expressed by certain delegations as to the possibility that many of the obligations under the charter might prove unreasonably onerous, especially during the transition period. The Committee also suggested that the Conference, in allocating the budget of the Organization, should follow the principles adopted by the United Nations, in the absence of some other agreed arrangements. It was recognized that this question might be affected by the eventual decision in the matter of weighted voting which is covered in the next section.

Voting and Executive Board Membership

No agreed text was arrived at as to the method of voting in the Conference. The majority of the delegations were in favor of the principle that each country should have one vote, which is the rule in the General Assembly of the United Nations. They argued that this is the most democratic system; that a small country may be relatively as vitally affected by a decision in the realm of foreign trade as a large country, that the Conference might be the last resort of a small country in serious difficulties in the field of trade, and it should have an equal voice in the discussion of those difficulties; that weighted voting would tend to submerge the interest of the many underdeveloped countries; that special provisions as to voting are already contained in the charter to cover special cases (for example, in the case of commodity agreements where consumer interests are given an equal vote with producer interests); and, finally, that the development of a workable formula acceptable to the large number of nations whose membership is desired would be nearly impossible. On the other hand, the minority of delegations who did not regard weighted voting with disfavor argued that the interest of different

⁴Except in matters involving national security, where appeal is unrestricted.

⁵The Interim Drafting Committee was set up by the Preparatory Committee to edit the texts agreed upon at London and to prepare alternative drafts as to those portions where there was a division of opinion.

countries in the field of trade varied greatly, that the Organization cannot succeed without the active support of the major trading nations, who are a numerical minority among the nations of the world; that it is possible to measure degrees of importance in such a specialized field as that of foreign trade; that there are precedents for this system in the International Fund and Bank; and, finally, that it would be improper to give to a country representing wide colonial territories throughout the world the same vote as a small country confined to narrower regional interests.

As to the related subject of possible permanent seats to be allocated to the major trading nations on the Executive Board, there was a disposition on the part of a majority of the members to favor some sort of arrangement of this kind, but no general agreement as to its terms. Various factors were advanced, some of which were also mentioned in connection with weighted voting. These included economic importance, po-

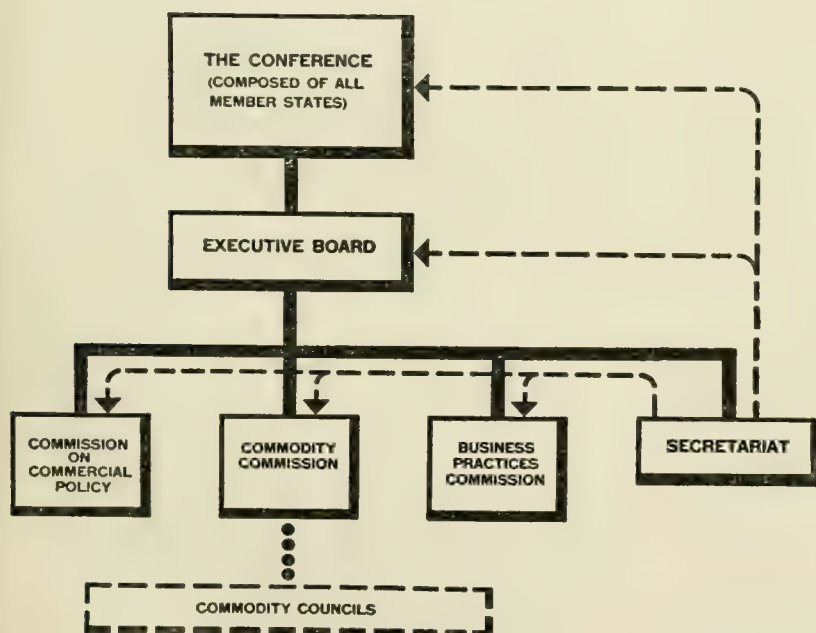
litical importance, geographical considerations, population and economic potentialities, national income, and the relative importance to any country of its international trade. One suggestion, which gained considerable sympathy, would make the holders of 6 of 15 seats eligible for reelection, while the other 9 seats would rotate. It was suggested that this would mean in practice that the major trading powers would get special recognition.

The Committee failed, also, to agree as to the size of the Board. Some delegations argued for 15 as a maximum while others wished as many as 20 seats.

The Executive Board

The United States draft provisions as to the Board were altered in two significant ways. First, the Board's control over the Commissions was strengthened by the provision that it should *supervise* their activities rather than merely *review*

PROPOSED INTERNATIONAL TRADE ORGANIZATION



PURPOSE

TO EXPAND WORLD TRADE
& EMPLOYMENT BY:

- 1 REDUCING TRADE BARRIERS
- 2 CURBING CARTEL & MONOPOLISTIC RESTRICTIONS
- 3 GUIDING INTER-GOVERNMENTAL COMMODITY ARRANGEMENTS

them. Secondly, specific provision was added under which a member of the Organization not a member of the Board must be invited to participate in its discussion of matters of particular and substantial concern to it.

The Commissions

The Committee devoted a considerable amount of its time to the question of the nature, functions, and composition of the Commissions. Many of the delegates feared that they might be competitive to the Secretariat, and it was suggested that they should be made subordinate to the Director General. The United States view was, however, finally accepted. It was agreed that the Commissions should be composed of individual experts of the highest possible prestige and ability whose services would probably not be available to the Organization if they were to be members of the Secretariat. It would be the function of the Secretariat to gather and marshal information for the Commissions and to supply all the necessary technical and clerical personnel. The Director General would always be conversant with their activities through his right (or that of his deputies) to participate in all the Commissions' deliberations and to initiate any proposal for their consideration. In the light of these considerations the Committee agreed that it would not be necessary or desirable to make the Commissions subordinate to any body other than the Executive Board, made up of the representatives of governments.

Many delegates felt that the Commission members should be invited to serve on a part-time basis so that prominent men in important positions in member countries might be persuaded to act on the Commissions and might, at the same time, be able to maintain intimate contact with the problems of their respective countries. While it was agreed that this would be desirable and possible in many cases, it was also felt that in other cases the work of the Commissions would probably constitute a full-time job.

Thus, the provisions of the United States draft were not substantially changed. Conditions of service on the Commissions are to be covered by regulations to be prescribed by the Conference in the light of operating experience. It was suggested that the Conference, in so prescribing, should consider the desirability of providing that the chairman of each Commission should serve

permanently so as to assure continuity. The desirability of fair geographical distribution in the selection of members was also pointed out.

The Secretariat

In this connection, Committee V again stressed the danger of overlapping between the various international bodies in the international economic field and pointed out the necessity of using common services so far as possible.

The authority of the Director General over the Secretariat was increased by removing the United States suggestions concerning special reference to the functions of deputy Directors General and by leaving a maximum of discretion to the Director General himself. The Committee also incorporated the provision in the United Nations Charter with respect to geographical distribution, but decided against inclusion of any provision confining membership in the Secretariat to nationals of member countries.

Miscellaneous Provisions

Committee V approved, without substantial change, the United States suggested provisions as to relations with other organizations, legal capacity, privileges and immunities, and payment of contributions. However, as to amendments of the charter, the Committee was concerned with the status of a minority member which failed to accept an amendment of substantial importance. After considerable discussion, it was decided to follow the precedent set in the Civil Aviation Organization and provide the Conference with the power to require the withdrawal of such a member if it feels this to be necessary.

In view of the terms of the United States legislation on reciprocal tariff reductions under which the United States may not commit itself to tariff reductions for a period of over three years, the Committee decided that the initial period during which no member can withdraw from the Organization (except under special circumstances) should be reduced from five years to three.

In the matter of interpretation of the charter, the Committee decided to add Chinese and Spanish to English and French as authoritative texts of the charter. The question of a Russian text was not raised at this session.

As to the settlement of disputes, it was decided

(Continued on page 285)

The Security Council: Regulation and Reduction of Armaments

U. S. DRAFT RESOLUTION REGARDING THE IMPLEMENTATION OF THE RESOLUTION OF THE GENERAL ASSEMBLY ON THE GENERAL REGULATION AND REDUCTION OF ARMAMENTS¹

The Security Council, in consideration of the General Assembly Resolution of December 14, 1946, on the "Principles Governing the Regulation and Reduction of Armaments";²

Resolves:

1. To establish a commission composed of the Members of the Security Council, the function of which shall be to make recommendations to the Security Council regarding the practical measures, including the provision of effective safeguards, for the general regulation and reduction of armaments and armed forces, except as regards those matters which fall within the competence of the Atomic Energy Commission as determined by the General Assembly Resolutions of January 24, 1946, and December 14, 1946.

2. To create a committee of the Security Council consisting of a representative of each member of the Council which shall make recommendations to the Security Council regarding the terms of reference of the proposed Commission, including its relations with the Security Council, the Military Staff Committee, and the Atomic Energy Commission.

3. To begin at its next meeting consideration of the First Report of the Atomic Energy Commission dated December 31, 1946, with particular reference to the Recommendations contained in Part III³ thereof.

STATEMENT BY THE U.S. REPRESENTATIVE⁴

The United States submits for the consideration of the Council a brief three-point resolution. I should like to explain what our thinking is in submitting this proposal.

You will note that it calls upon the Council to begin at its next meeting consideration of the Atomic Energy Commission Report. It is common sense for the Security Council to take full advantage of the arduous effort spent by the Atomic Energy Commission during the past year in for-

mulating a set of principles upon which a majority of the members of the Security Council have found it possible to agree.

The control of atomic energy is of supreme importance, not only because of its terrible and destructive effects when used as a weapon but also because of its tremendous possibilities for the benefit of mankind. In order that this great discovery may be employed to the full for peaceful purposes, it must be controlled so that it cannot be used for warfare.

My Government believes that the international control of atomic energy, including effective safeguards by way of inspection and other means, and effective provision for the collective enforcement of sanctions against violations, is fundamental to the establishment of international peace and security and to the regulation and reduction of other weapons. Following World War I the United States had a bitter experience with unilateral disarmament. My Government will not repeat this error. Twice in the past generation we have been compelled to take part in great and bloody wars. In neither case were we equipped at the outset with the armaments which other peace-loving states might have wished us to possess. Had we possessed adequate armaments, both wars might have been avoided.

The United States is committed to the principles of international collective security set forth in the United Nations Charter. In fulfilment of its obligation under this Charter, the United States must insist that in any plan or program for the general regulation and reduction of armaments practical security arrangements must be a primary consideration. The members of the United Nations must have definite, concrete assurances that effec-

¹ Submitted by the U.S. Representative, Warren R. Austin, at the ninety-eighth meeting of the Security Council in New York, N.Y. Security Council document S/264, Feb. 4, 1947.

² BULLETIN of Dec. 22, 1946, p. 1137.

³ BULLETIN of Jan. 19, 1947, p. 111.

⁴ Made in the Security Council on Feb. 4, 1947 and released to the press by the U.S. Delegation to the United Nations on the same date.

tive and enforceable safeguards with regard to such security arrangements have been established before committing themselves to final plans for the reduction of armaments and armed forces.

Furthermore, the negotiation and conclusion of the peace treaties with Germany and Japan have a direct bearing on the prospects for the reduction and regulation of armaments and armed forces. The organization of the world for peace depends upon the solution of the many grave problems involved in these peace settlements. The progress of the work in this field must therefore be taken fully into account as we go forward in the United Nations toward the general regulation and reduction of armaments and armed forces.

This does not mean that the United States is opposed to any concurrent discussion of the problems involved in the general regulation and reduction of armaments. On the contrary, our draft resolution provides for the establishment of a commission for this purpose, and provides for its composition.

It seems clear that before such a commission can begin any effective work it is most important to define precisely its terms of reference, particularly its relationship with the Atomic Energy Commission and the Military Staff Committee. The exercise of a little care to solve these problems properly now might well avoid difficulties later on. We should be particularly careful to avoid overlapping functions between the new commission and the Atomic Energy Commission. All of the members of the Council will realize the advantages which have accrued from the careful drafting which went into the terms of reference of the Atomic Energy Commission. Our present task certainly is a comparable one. In view of the fact that the Council has a great deal of complicated business on its agenda, that questions of principle have apparently been settled in the Council, and that there are a number of resolutions before the Council in this matter, it would appear that it would be a matter of substantial convenience to the Council to set up a subcommittee to draft an agreed resolution.

When the commission gets to work, the problems with which it must deal are primarily the "how" and the "when".

By the "how" I mean what safeguards must be

included in any treaties or conventions to protect complying states against the hazards of violations and evasions.

In referring to the question of "when", I have first of all in mind what I have just said with respect to the peace treaties. I also have in mind the relationship between the regulation of armaments and the provision of armed forces under article 43 of the Charter or for collective action under any treaty. There are other elements which must be considered in determining the timing of arms reduction, but these two are in our opinion much the most important.

Only by answering the questions of the "how" and the "when", as the Assembly's resolution of December 14 itself makes clear, can the regulation and reduction of conventional armaments and armed forces be accomplished.

In sum, Mr. President, my Government sincerely believes that the resolution it is now proposing embodies the most effective first steps toward the regulation and reduction of armaments and armed forces and the eventual establishment of freedom from the appalling fear of war.

The policy of the United States has been and will continue to be to contribute to the utmost toward the achievement of collective security and international control of armaments and armed forces. That policy we have pursued and will continue to pursue in the Security Council, the Atomic Energy Commission, and in all other organs of the United Nations, as well as outside the United Nations in the making of the peace treaties with the Axis powers and the settlement of other issues between the Allies that have arisen from the war.

The United States considers that it is the primary task of the Council in the coming months to progress as rapidly as possible toward agreement upon an international system of control that will provide the "practical and effective safeguards by way of inspection and other means to protect complying states against the hazards of violations and evasions"⁵ that the General Assembly has recognized are essential to the regulation and reduction of armaments.

There is only one road to disarmament. That is the road of genuine collective security and genuine international control of all armaments and of armed forces. Along that road the United States desires to advance as fast and as far as our fellow members of the United Nations will travel with us.

⁵ BULLETIN of Dec. 22, 1946, p. 1138.

Commission on Human Rights

U. S. PROPOSALS REGARDING AN INTERNATIONAL BILL OF RIGHTS¹

Proposals

The United States proposes:

1. that the Commission on Human Rights should consider the following questions at its forthcoming session before proceeding with the drafting of an international bill of rights:

- (a) the legal form of the bill;
- (b) the subject matter to be dealt with in the bill;
- (c) the implementation of the bill;

2. that the Commission should, before adjourning,

(a) appoint a working group to draft an international bill of rights for submission to the Commission at its next session, following closely the Commission's decisions on the points listed in paragraph 1 above;

(b) suggest methods of consulting with interested agencies, commissions, and subcommissions in the drafting of an international bill of rights.

II. Specific Suggestions

1. With regard to the legal form of an international bill of rights, the United States suggests that the Commission should first prepare it in the form of a Declaration on Human Rights and Fundamental Freedoms to be adopted as a General Assembly resolution. This Declaration should be of such a character as to command the respect of people throughout the world and should be framed with a view to speedy adoption by the General Assembly. The resolution containing this Declaration should make provision for the subsequent preparation by the Commission on Human Rights of one or more conventions on human rights and fundamental freedoms. This course, it is thought, would permit prompt adoption of a broad statement of human rights and allow time for the working out of detailed treaty provisions on specific matters.

2. Among the categories of rights which the United States suggests should be considered are the following:

(a) personal rights, such as freedom of speech, information, religion, and rights of property;

(b) procedural rights, such as safeguards for persons accused of crime;

(c) social rights, such as the right to employment and social security and the right to enjoy minimum standards of economic, social, and cultural well-being.

(d) political rights, such as the right to citizenship and the right of citizens to participate in their government.

It is recognized that the definition of rights within these categories is a task of great difficulty, which cannot be performed by the Commission at its forthcoming session, but it is submitted that these categories taken together include the rights which persons of differing national, legal, economic, and social systems would regard as the human rights and fundamental freedoms to be promoted and respected by the United Nations.

3. With regard to implementation, the United States suggests that the General Assembly resolution setting forth the Declaration on Human Rights and Fundamental Freedoms should recommend the Declaration as a standard to be observed by members. It might also recommend that these rights be incorporated in constitutions and in legislation, to be observed and enforced by administrative and judicial authorities.

The conventions suggested earlier might contain provisions for reporting by the signatories on the application of the convention and on the position of their law and practice regarding the rights stipulated in the convention. They might also, if feasible, empower the Commission on Human Rights to recommend to states measures to give effect to the convention.

4. The United States proposes the appointment of a working group to draft the Declaration, since the Commission's agenda for the forthcoming meeting is long and the decisions to be reached

¹ E/CN.4/17, Feb. 6, 1947.

with respect to the foregoing questions will require more extended consideration than will be possible at the forthcoming session of the Commission. The decisions with regard to subject matter to be included would furnish leads to the drafting group to guide it in formulating specific provisions or in evaluating proposals which may be made or referred to it.

All bills which have been submitted to the Commission should be referred to the working group for study in the light of the decisions of principle reached by the Commission.

The subsequent drafting of conventions for submission by the Economic and Social Council to the General Assembly and adoption by members

might be performed by the same working group, or one or more new ones might be formed.

The Commission may consider it desirable to consult with organs, commissions, or specialized agencies of the United Nations with regard to the drafting of certain provisions. It might, therefore, suggest to the working group methods of consultation with these bodies.

6. In order to submit the Declaration on Human Rights, if possible, to the Second Session of the General Assembly, it is suggested that the working group complete its work in time for consideration by the Commission (possibly in June) and the Fifth Session of the Economic and Social Council (summer 1947).

U.S. PROPOSAL FOR SUBCOMMISSION ON PROTECTION OF MINORITIES AND PREVENTION OF DISCRIMINATION¹

The Subcommissions on Protection of Minorities and on the Prevention of Discrimination should be combined in one Subcommission on the Protection of Minorities and the Prevention of Discrimination with terms of reference along the following lines:

Terms of Reference of Subcommission on the Protection of Minorities and the Prevention of Discrimination

Functions

The functions of the Subcommission on the Protection of Minorities and the Prevention of Discrimination established by the Commission on Human Rights pursuant to authority given by resolution of the Economic and Social Council of June 21, 1946 shall be:

(1) To determine what practices are to be considered "discrimination" and to set forth the principles which should be applied in the prevention of discrimination;

(2) To ascertain with the assistance of the Secretariat where discrimination as thus determined exists with due respect to (a) the functions of the Commission on the Status of Women concerning discrimination because of sex; and (b) the functions of the Trusteeship Council;

(3) To determine what is meant by "minorities" and to set forth principles which should be applied in the protection of minorities;

(4) To receive and examine under such regulations as the Subcommission may adopt communications, whether oral or written, on matters within its jurisdiction;

(5) To make recommendations to the Commission on Human Rights for the prevention of discrimination and for the protection of minorities;

(6) To submit reports from time to time to the Commission on Human Rights which, in turn, may recommend to the Economic and Social Council the publication of these reports.

Composition

(1) The Subcommission shall be composed of eleven persons selected by the Commission in consultation with the Secretary-General and subject to the consent of the governments of the countries of which the persons are nationals. Not more than one person shall be selected from any single country.

(2) The terms of office of the members shall be three years. Members shall be eligible for re-election. In the event that a member is unable to serve for the full three-year term a person selected by the Commission subject to the foregoing provi-

(Continued on page 302)

¹ Presented to the Commission on Human Rights by the U.S. Representative, Mrs. Franklin D. Roosevelt, on Jan. 29, 1947 and released to the press by the U.S. Delegation to the United Nations on the same date.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Calendar of Meetings¹

In Session as of February 9, 1947		1946
Far Eastern Commission	Washington	Feb. 26
United Nations:		
Security Council	Lake Success	Mar. 25
Military Staff Committee	Lake Success	Mar. 25
Commission on Atomic Energy	Lake Success	June 14
Telecommunications Advisory Committee	Lake Success	Nov. 10
ECOSOC:		1947
Drafting Committee of International Trade Organization, Preparatory Committee	Lake Success	Jan. 20-Feb. 28
Human Rights Commission	Lake Success	Jan. 27-Feb. 10
Statistical Commission	Lake Success	Jan. 27-Feb. 7
Population Commission	Lake Success	Feb. 5-19 ²
Transport and Communications Commission	Lake Success	Feb. 5-19 ²
Commission on the Status of Women	Lake Success	Feb. 9-23 ²
German External Property Negotiations (Safehaven):		1946
With Portugal	Lisbon	Sept. 3
With Spain	Madrid	Nov. 12
Inter-Allied Trade Board for Japan	Washington	Oct. 24
PICAO:		1947
Interim Council	Montreal	Jan. 7
Air Transport Committee: Sixth Session	Montreal	Jan. 13
Aeronautical Maps and Charts Division	Montreal	Jan. 14-Feb. 7
Accident Investigation Division	Montreal	Feb. 4
South Pacific Regional Air Navigation Meeting	Melbourne	Feb. 4
Council of Foreign Ministers: Meeting of Deputies	London	Jan. 14-Feb. 24
Inter-Allied Reparation Agency (IARA): Meetings on Conflicting Custodial Claims	Brussels	Jan. 29
ILO Industrial Committee on Petroleum Production and Refining .	Los Angeles	Feb. 3-12
Conference of the International Union for Protection of Industrial Property	Neuchâtel	Feb. 5
Scheduled for February-April 1947		
Signing of Peace Treaties With Italy, Hungary, Bulgaria, Rumania, and Finland	Paris	Feb. 10
International Court of Justice	The Hague	Feb. 10
International Refugee Organization: Preparatory Commission . . .	Geneva	Feb. 11-22 ²
International Office of Public Health: Meeting of Committee on Finance and Transfer	Paris	Feb. 11-14
Emergency Economic Committee for Europe (EECE): Subcom- mittee on Emergency Housing Problems	The Hague	Feb. 13-15

¹ Prepared in the Division of International Conferences, Department of State.

² Tentative.

Calendar of Meetings—Continued

United Nations:		
ECOSOC:		1947
Subcommission on Economic Reconstruction of Devastated Areas, Working Group for Asia and the Far East	Lake Success	Feb. 14-21
Non-governmental Organizations Committee	Lake Success	Feb. 25-27
Standing Committee on Negotiations With Specialized Agencies .	Lake Success	Feb. 28
Economic and Social Council: Fourth Session	Lake Success	Feb. 28
Meeting of Experts on Passport and Frontier Formalities	Geneva	Mar. 17
Trusteeship Council	Lake Success	Mar. 26
National Livestock Exposition and Fair	Habana	Feb. 18-24
PICAO:		
Airworthiness Division	Montreal	Feb. 18
Airline Operating Practices Division	Montreal	Feb. 25
International Emergency Children's Fund: Executive Board and Special Committee Meeting	Lake Success	Feb. 24
ILO:		
101st Session of the Governing Body	Geneva	Mar. 5-8
Committee on Social Policy in Dependent Territories	London	Mar. 17-22
Committee of Experts on the Application of Conventions	Geneva	Mar. 24-29
Preparatory Meeting of Statistical Experts	Montreal	March
Industrial Committee on Coal Mining	Geneva	Apr. 23
International Wheat Conference	London	Mar. 6 ²
European Central Inland Transport Organization (ECITO): Seventh Session of the Council	Paris	Mar. 6 ²
Council of Foreign Ministers	Moscow	Mar. 10
World Health Organization (WHO): Third Session of Interim Commission	Geneva	Mar. 31
Interparliamentary Union: 36th Plenary Session	Cairo	Apr. 7
International Conference on Trade and Employment: Second Meeting of Preparatory Commission	Geneva	Apr. 8
International Red Cross Committee	Geneva	Apr. 14-26
Fifth International Hydrographic Conference	Monaco	Apr. 22
International Meeting of Marine Radio Aids to Navigation	New York and New London . .	Apr. 28

² Tentative.

Activities and Developments »

SPECIAL PANELS TO HOLD ITO HEARINGS

[Released to the press February 10]

The Department of State announced on February 10 the composition of seven special panels which will hold informal hearings on the proposed Charter for an International Trade Organization in several American cities, starting on February 25, 1947.

It was pointed out that these hearings, to obtain interested American opinion on the proposed trade

Charter, are separate from recent hearings in Washington on tariff reductions and reciprocal trade agreements, which were conducted by the Committee for Reciprocity Information.

Locations, dates, and panels for the ITO hearings are as follows:

Washington, February 25, Room 474, Department of State

Willard Thorp, Assistant Secretary for Economic Affairs, Department of State, *Chairman*

Lynn R. Edminster, Vice Chairman of Tariff Commission

David Morse, Assistant Secretary in Charge of International Affairs, Department of Labor

L. A. Wheeler, Division of Foreign Agricultural Relations, Department of Agriculture

Thomas C. Blaisdell, Jr., Assistant to Secretary for International Trade, Department of Commerce

Secretary: John M. Leddy, Commercial Policy Division, Department of State

New York, February 27-28 (to be announced later)

Willard Thorp, Assistant Secretary for Economic Affairs, Department of State, *Chairman*

Oscar B. Ryder, Tariff Commission

Thomas C. Blaisdell, Jr., Assistant to Secretary for International Trade, Department of Commerce

Secretary: John M. Leddy, Commercial Policy Division, Department of State

Chicago, March 3, Room 582, U.S. Court House, Clark and Adams Streets

Donald D. Kennedy, International Resources Division, Department of State, *Chairman*

Louis Lorwin, Economic Adviser, Department of Commerce

George Bronz, Special Assistant to the General Counsel, Department of the Treasury

Secretary: Willis C. Armstrong, Commercial Policy Division, Department of State

Boston, March 3, Federal Court Room No. 5, 12th Floor, Federal Post Office Building, Milk and Devonshire Streets

Winthrop G. Brown, Commercial Policy Division, Department of State, *Chairman*

Oscar B. Ryder, Chairman, U.S. Tariff Commission

Frank M. Shields, Director, Commercial Policy, Department of Commerce

Secretary: Edmund Kellogg, International Organization Affairs Division, Department of State

New Orleans, March 3, International House Auditorium

Clair Wilcox, Director, Office of International Trade Policy, Department of State, *Chairman*

John H. G. Pierson, Adviser to Assistant Secretary in Charge of Labor Relations, Department of Labor

Robert Schwenger, Special Assistant to the Director, Office of Foreign Agricultural Relations, Department of Agriculture

Secretary: Robert P. Terrill, Assistant Chief, International Resources Division, Department of State

February 16, 1947

Denver, March 10, Room 339 (Petit Jury Room) Post Office Building, 18th and Stout Streets

(Panel and Secretary, same as Chicago Group)

San Francisco, March 10, Room 417, U.S. Customs Court, Appraisers Building, 630 Sansome Street

(Panel and Secretary, same as New Orleans Group except John P. Gregg, Tariff Commission, in the place of Robert Schwenger, Department of Agriculture)

These hearings are intended to assist agencies of the United States Government to obtain a full expression of American opinion in preparation for the April 8, 1947, meeting of the Preparatory Committee on Trade and Employment, created by the Economic and Social Council of the United Nations on February 18, 1946. The proposed Charter was prepared by the Committee at its first meeting in London October 15–November 26, 1946.

As announced in the BULLETIN of February 9, 1947, page 257, final dates for receipt of notification of desire to present oral views at the hearings are as follows:

For Washington and New York hearings: February 12, 1947

For hearings in the other cities: February 20, 1947

Such notifications should be addressed to the Executive Secretary, Executive Committee on Economic Foreign Policy, Room 133, Department of State, Washington, D.C. Each letter should state at which of the places listed above the writer wishes to present his oral views. All persons desiring to present oral views will be advised by the Executive Secretary regarding the time of their individual appearances.

Views in writing regarding the proposed Charter for an International Trade Organization should be transmitted to the same address, preferably by February 12, 1947, and in any event not later than March 1, 1947. It would be of assistance to the Committee if persons submitting written views could supply 10 copies.

The hearings are under the auspices of the Executive Committee on Economic Foreign Policy, which consists of representatives of the Departments of State, Treasury, Agriculture, Commerce, and Labor, and the United States Tariff Commission. Chairman of the Committee is Willard L. Thorp, Assistant Secretary of State for Economic Affairs. (For further background information refer to BULLETIN of January 12, 1947, page 68.)

U.S. DELEGATION TO ILO COMMITTEE ON PETROLEUM PRODUCTION AND REFINING

[Released to the press February 3]

The Department of State announced on February 3 the composition of the United States delegation, as approved by the President, to the meeting of the Committee on Petroleum Production and Refining of the International Labor Organization. These nominations were submitted by the Secretary of State upon the recommendation of the Secretary of Labor. The meeting was held at Los Angeles from February 3 to 12, 1947.

The committee was one of the eight major industrial committees which form part of the International Labor Organization's machinery. Initial meetings of six of the eight bodies have already been held: Coal Mining; Inland Transportation; Iron and Steel; Metal Trades; Textiles; and Building, Civil Engineering and Public Works.

The present committee considered social problems in the petroleum industry in terms of future international cooperation.

It was composed of representatives of the following twelve countries: Canada, Colombia, Egypt, France, Iran, Iraq, Mexico, the Netherlands, Peru, the United Kingdom, the United States, and Venezuela. Each national delegation was made up of two government members, two management representatives, and two labor representatives. The composition of the United States delegation was as follows:

REPRESENTING THE GOVERNMENT OF THE UNITED STATES

Members

John H. G. Pierson, Economic Adviser to the Assistant Secretary of Labor, Department of Labor
John A. Loftus, Chief, Petroleum Division, Department of State

Advisers

Duncan Campbell, Labor Adviser to the Secretary of the Interior, Department of the Interior
Samuel E. Hill, Consultant on Labor Relations, Oil and Gas Division, Department of the Interior
Milton Derber, Economist, Bureau of Labor Statistics, Department of Labor

REPRESENTING THE EMPLOYERS OF THE UNITED STATES

Members

Charles E. Shaw, Manager, Overseas Employee Relations, Standard Oil Company of New Jersey, New York, N.Y.
James Tanham, Vice President, The Texas Company, New York, N.Y.

REPRESENTING THE WORKERS OF THE UNITED STATES

Members

Herbert Woods, Representative, International Union of Operating Engineers, Washington, D.C.
H. M. McNeel, Representative, International Union of Operating Engineers, Washington, D.C.

ARRANGEMENTS FOR WORLD TELECOMMUNICATIONS CONFERENCES

[Released to the press February 7]

The Department of State announced on February 7 that, in collaboration with the International Bureau of the International Telecommunications Union, arrangements have been completed to hold the World Telecommunications Conferences during the spring and summer in Atlantic City, N.J., where existing international telecommunication agreements will be revised. The first of these conferences, the Radio Administrative Conference, will begin on May 15, 1947 and will be followed in succession by the Plenipotentiary Telecommunications Conference and the Short Wave Broadcasting Conference.

The International Telecommunications Union consists of a membership of approximately 80 countries which are party to the international telecommunications convention now in force (Madrid 1932). The convention and its appended agreements control the world-wide operation of telecommunications. To carry out the administrative functions of the Union in the interim between conferences, a bureau was established in Bern under the supervision of the Government of the Swiss Confederation, which regulates its organization.

The Union last met in general session at Cairo in 1938 when the radio regulations and the telephone and telegraph regulations of the Madrid convention were revised.

Great advances and changes in telecommunications techniques during the war have rendered obsolete the provisions of the Madrid and Cairo agreements. The conferences in Atlantic City will undertake to bring these provisions up to date and to revise the present legislative machinery of the Union so as to permit such future revisions of the agreements as may be necessary to keep them in step with the advances in this field made by science.

Cooperation With Congress on Bipartisan Foreign Policy

LETTER FROM THE SECRETARY OF STATE TO REPRESENTATIVE CHARLES A. EATON¹

[Released to the press February 4]
February 3, 1947.

MY DEAR MR. EATON:

I have your letter of January 29 advising me of the adoption by the Committee on Foreign Affairs of the resolution, a copy of which accompanies your letter. The resolution invites the Secretary of State to cooperate with the Committee in various respects so as to aid the Committee in the formulation and execution of a bi-partisan foreign policy and also to aid the Committee in cooperating with the President and myself in the discharge of our responsibilities. The resolution also states the desire and purpose of the Committee to discharge its obligations to the people and to the House of Representatives of recommending legislative action only after full knowledge of the facts and policies involved.

Let me say immediately that I am glad to accept the invitation of the Committee and that I am in sympathy with the desires evidenced by the resolution and your letter to further mutual cooperation between the Committee and the Department of State in the furtherance of a bi-partisan foreign policy, and to assist in fulfilling our respective

responsibilities to the people and their Representatives. You will appreciate that it would not be appropriate for me to comment upon the portions of the resolution which are concerned with the relationship between the Committee on Foreign Affairs and other committees of the House of Representatives. Perhaps it is not inappropriate, however, for me to say that the Department of State is in agreement with the desirability of avoiding unnecessary duplication of studies and hearings.

I wish to thank you for the expressions in the resolution of the desire and purpose of the Committee to cooperate to the fullest extent with the President and myself. On behalf of the President and myself, we fully reciprocate. I am confident we can work out the details satisfactorily.

The report of the subcommittee referred to in your presentation of the resolution to the House on January 29, 1947, recognizes the constitutional responsibilities with respect to the conduct of foreign affairs. Without any derogation from these responsibilities, I am confident that they can be best fulfilled by the cooperation proposed in the resolution of your Committee.

Sincerely yours,

GEORGE C. MARSHALL

RESOLUTION ON POWERS, DUTIES, AND SCOPE OF FOREIGN AFFAIRS COMMITTEE

WHEREAS, the Committee on Foreign Affairs was established in 1822, and by the Legislative Reorganization Act of 1946 (1) has been given jurisdiction as a standing committee over relations of the United States with foreign nations generally, and (2) shall exercise continuous watchfulness of the execution by the Department of State and the agencies of the United States Government of the laws relating to the relations of the United States with foreign nations generally; and

WHEREAS, the Legislative Reorganization Act of 1946 gives apparently conflicting jurisdiction to other House Committees, and the possible overlapping jurisdiction of committees may result in

duplication of committee activities and unnecessary demands upon the time of departmental officers in appearing before committee, and

WHEREAS, by tradition and precedent peculiarly close relations have grown up between the Foreign Affairs Committee and the Executive Departments with reference to foreign affairs, and

WHEREAS, it is the desire and purpose of the Committee on Foreign Affairs to aid in the formulation and execution of a bi-partisan foreign policy and to cooperate to the fullest extent with the President and the new Secretary of State in the

¹ Chairman of the Committee on Foreign Affairs, House of Representatives.

discharge of their grave responsibilities, while at the same time discharging its obligations to the people and to the House of Representatives, of recommending legislative action only after full knowledge of the facts and policies involved.

Now, THEREFORE,

Be it resolved (1) that the Committee on Foreign Affairs make a detailed study of the laws affecting the relations of the United States with foreign nations generally, and that a study be made of the international organizations of which the United States is a member;

(2) that the Committee on Foreign Affairs invite the Secretary of State to cooperate with the Committee in such study and to furnish all necessary information as to the organization, the personnel and the policies of the Department of State and international agreements to which the United States is a party, and that the committee agree to safeguard such information against any disclosure which is incompatible with the public interest, and

(3) that upon the acceptance by the Secretary of State of this invitation and agreement, that the Committee on Foreign Affairs recommend to the Speaker and to the other committees of the House of Representatives, that no other committee make any unnecessary duplicating studies of the organization, personnel and policies of the Department of State; that the Committee on Foreign Affairs invite duly appointed sub-committees from other committees to participate in hearings held by the Committee on Foreign Affairs on subject matter which is within the jurisdiction of such other committees, and that the Committee on Foreign Affairs request the Appropriations Committee and the Committee on Expenditures in the Executive Departments and the other committees whose powers and duties may involve foreign affairs to permit sub-committees of the Committee on Foreign Affairs to participate in hearings by such committees which involve the organization, personnel or policies of the Department of State and matters relating to the relations of the United States with foreign affairs generally, and

Be it Further Resolved, that copies of this resolution be submitted to the Speaker of the House of Representatives, the Secretary of State, and the Chairmen of the Standing Committees of the House of Representatives.

¹ Made public by the Senate Committee on Foreign Relations on Feb. 5, 1947.

Department of State Submits 27 Items for Senate Consideration¹

Urgent Items in Order of Priority

Legislation to continue relief programs after UNRRA

Treaties of peace with Italy, Rumania, Hungary, and Bulgaria along with implementing legislation

Legislation for United States membership on International Refugee Organization

Senate consent to ratification of the Anglo-American petroleum agreement

Legislation for Children's Fund from UNRRA liquidation

Legislation for entry of displaced persons in United States

Adherence to Constitution of World Health Organization

Legislation to permit cultural-relations activity outside Western Hemisphere

Proposed joint resolution concerning accession of United States to convention on privileges and immunities of the United Nations

Legislation providing a gift tax amendment to permit tax-exempt gifts to United Nations

Important Items for This Session of Congress Without Regard to Priority

Congressional action on Canadian-American agreement on St. Lawrence Waterway and Power Project

Joint resolution approving agreement regarding United Nations site

Senate consent to ratification of treaty of friendship, commerce and navigation with China

Senate consent to ratification of taxation convention with France

Amendment to International Organization Immunities Act (Public Law 291, 79th Cong.)

Legislation for authority for control of exportation and importation of arms, ammunition and implements of war

Legislation for increase of Cuban sugar quota

Legislation for payment of Mexican railroad workers' claims

Legislation providing a federal charter for Institute of Inter-American Affairs

Appropriations for completion of Inter-American Highway

Legislation for Philippine veterans regarding GI Bill of Rights

Legislation to authorize the Government to operate international radio broadcasting facilities through a publicly chartered corporation

Legislation for CAB regulation of United States air carrier rates abroad

Legislation for detail of United States military and naval missions to foreign governments

Legislation to prohibit the unauthorized use of the name, seal, and emblem of the United Nations (implementation of a General Assembly resolution)

Legislation authorizing United States agencies to furnish supplies and equipment to public international organizations

Revision of United Nations Participation Act of 1945 (Public Law 264, 79th Congress)

London Meeting—*Continued from page 274*

that the charter should cover the settlement of all disputes arising not only out of the interpretation of the charter but also out of its operation. In discussing the matter of disputes, the two following questions were raised, among others:

First, the Committee decided that the Executive Board should be specifically enabled, at the outset of a dispute, to refer the dispute to arbitration in cases where the parties consent and on the understanding that it should be final.

Secondly, there was a split of opinion as to appeals from the decisions of the Conference to the International Court of Justice. On one hand, some delegations felt that, in order to prevent undue delays in reaching final settlements, and for reasons of prestige, the Organization should be able itself to settle finally all disputes arising in its field (except those involving national security) and should be able to deny appeals from its decisions to the International Court. These delegations argued that it should be possible for the Conference to cut off appeals in trivial or non-justifiable matters. Other delegations argued that

the Conference might act on political grounds and that no aggrieved country should be cut off from its right of appeal to the impartial and non-political decision of the Court. These delegations felt that no country would so appeal unless it believed that the matter was of great importance. It was finally agreed that the Conference should establish procedures governing such appeals, and it was suggested that these might include a requirement that an appeal might be denied by a two-thirds vote of the Conference. Several delegations, however, submitted a paper to the Interim Drafting Committee stressing the desirability of unrestricted appeal to the Court and suggesting the establishment of an economic chamber as a part of the structure of the Court.

In connection with the article on entry into force of the charter, the Committee approved the provision in the United States draft providing that the charter might be brought into force by fewer than 20 countries, since it was assumed that, as a practical matter, the countries which took such a step would control a significant part of the world's foreign trade, and since it was felt to be important to provide added assurance that the work of the International Conference on Trade and Employment would not be wasted. Special provisions were also added to cover the overseas territories of members which might have varying degrees of autonomy in matters of trade and whose status might be expected to change after the charter has taken effect.

The articles agreed upon by Committee V were accepted by the Preparatory Committee at its concluding plenary sessions and are now under consideration by the Interim Drafting Committee, meeting in New York, from the point of view of editing. They will then be reconsidered by the Second Session of the Preparatory Committee, meeting in Geneva in April 1947, where it is hoped that present conflicting views with regard to weighted voting and the composition of the Executive Board will be reconciled. The drafting of the articles as to the specific functions of the three Commissions is expected to be a simple matter, the substance of which will flow from the decisions made in regard to the other sections of the charter.

Thus it appears that from an organizational as well as from a substantive point of view the International Trade Organization has made substantial progress in its road to establishment.

Statements by the Secretary of State at Press Conference of February 7

General

[Released to the press February 7]

It has been the President's and Mr. Byrnes' policy, as it will be mine, to make the influence of this country felt in international affairs by doing all that can be done to strengthen and perfect the United Nations as an instrument for the discussion of international problems and the maintenance of international peace. Along with this policy goes that of taking a full and active part in the working out of peace settlements which will form a lasting basis upon which the United Nations can perform its functions.

Disarmament

The statement which Senator Austin made in the Security Council on February 4 regarding the regulation of armaments represented, as he said, "a well-settled, thoroughly considered opinion of the Government of the United States."

The goal we are all seeking is peace with a dependable basis for collective security. The United States Government will work with other nations to attain this goal as rapidly as possible. That is the first essential, I think, on the road to disarmament. It will not be a short road or an easy one.

The international control of atomic energy with effective safeguards is of first importance. It is not a problem of disarmament in the conventional sense. Mankind can never feel secure so long as this great destructive force remains uncontrolled. That is why we are giving primary emphasis to solving the problems it presents.

Also essential to the establishment of real security are solutions acceptable to the great powers of the tremendous issues which the peace settlement poses. It is difficult to see how any *real* disarmament, or even any substantial reduction of armaments, can take place until such solutions have been found.

The United States Government, I am sure, will avoid with care a repetition of the tragic consequences of unilateral disarmament and the limitation of armaments as was done in 1921. The problem cannot be solved on an emotional basis. This time it has to be on a practical basis.

Moscow

Membership of U. S. Group. I will be accompanied by approximately the same group which attended Secretary Byrnes at New York and Paris. In other words, I am going to join a team. I might say of veterans. It is expected that my deputy will be Mr. Robert Murphy and that General Clay may consult with the United States group at times.

Participation of the Senators. You have already had a statement by Senator Vandenberg and Senator Connally as to their position. That was reached after a lengthy discussion with me on the same day it was issued. I thoroughly understand their position and have complete confidence in their support on the general basis of a bipartisan foreign policy.

The Press. The Soviet Embassy has now informed us officially that no more than 15 to 20 American correspondents could be accommodated. We are asking the Soviet Government to increase this figure. We are also endeavoring to obtain broadcasting facilities for correspondents, which you will recall has already been discussed with Mr. Molotov. Ambassador Smith has previously been pressing for admission of broadcasters.

Since there is a problem of selection from among the 73 correspondents who have applied to go to Moscow, it is obvious that the Department of State cannot itself undertake to select from among all those who have applied. Mr. McDermott will advise or consult any committee which the correspondents themselves, or their papers, may care to appoint to make this selection.¹

¹ The Department of State announced to the press on Feb. 8 that Michael J. McDermott, Special Assistant to the Secretary for Press Relations, was instructed to advise or consult any committee which the correspondents themselves, or their papers, cared to appoint to make this selection.

The Congressional Standing Committee of Correspondents and the State Department Correspondents Association appointed representatives to sit as a committee with Mr. McDermott to propose principles on which a system of priority could be applied.

(Footnote continued on next page)

Argentine Policy

There has been no change in the policy announced by Secretary Byrnes on April 8, 1946, in his statement which speaks for itself. There are no United States restrictions on trade with the Argentine except in respect to exportation of arms and implements of war. With regard to the status of the compliance issue, I refer you to the Department's self-explanatory statement of January 25.

Reorganization

The most important thing that has been done was the amalgamation of the various coordinating and administrative bodies now directly serving the Office of the Secretary into a single Secretariat. This will be an expediting and coordinating organization, and in no way a policy-making group. As the organization develops, the necessary revisions, regulations, and procedures will be announced.

Carlisle H. Humelsine, Director of the Office of Departmental Administration, has been detailed to organize the Secretariat.

Stanley T. Orear is named Acting Director of the Office of Departmental Administration.

Continued from page 286

The committee met at 12:15 p.m. on Feb. 8 at the Department of State and unanimously agreed on the following statement:

"1. The Committee deplores the fact that Russia has consented to grant visas to only 20 press and radio correspondents and photographers to attend the CFM meeting in Moscow. The Committee recommends that continued strong representations be made for additional visas for American correspondents and endorses the representations already made by the Secretary of State.

"2. While these negotiations are proceeding, the Committee proposes as a tentative rule that priority be granted organizations which demonstrated their concern in CFM news by coverage of CFM meetings both at Paris and New York. The Committee interprets such coverage to mean assignment of an American reporter to these two meetings for the majority of days they were in session.

"3. Wire services, newspapers, news magazines, and radio organizations which can qualify under paragraph 2, but have American correspondents currently stationed in Moscow, are requested to stand upon their present American representation in the interest of extending the rights of coverage to as large an additional segment of the American press and radio as possible. Limited exception is proposed for the three major wire services because of

Abolition of Allied Commission for Italy

MESSAGE FROM PRESIDENT TRUMAN TO REAR ADMIRAL ELLERY W. STONE

[Released to the press by the White House February 7]

The President has sent the following message to Rear Admiral Ellery W. Stone, U.S.N.R., Rome, Italy, formerly Chief Commissioner of the Allied Commission for Italy:¹

"On the occasion of the abolition of the Allied Commission for Italy, with which you have been intimately associated since its inception and of which you have been Chief Commissioner since July 1944, I wish to express to you the sincere appreciation of the United States Government for the splendid service which you have rendered your country and the very real contribution which you have made to the Allied cause.²

"The purpose of the Allied Commission was only partially to insure security in the theater of a great battle. Equally important has been the guidance and assistance which the Commission has given to the new Italy in its work of reconstruction and its rebirth as a true democracy. With the support and cooperation of your British and American colleagues you have made an outstanding contribution to the achievement of both these high purposes of the Allied Commission in Italy."

the wire services' day, night, and overnight problems.

"4. It is recognized that even by adherence to the above rule of priority, many newspapers and other media might not be included. In the event that additional United States representation is granted by Russia, it is recommended that priority be based upon the following considerations.

"(a) Those organizations which covered both conferences but were not represented in Paris and New York for the majority of days the Council was in session.

"(b) Those organizations which covered the Paris Conference of 21 Nations."

The committee will meet again at 3 p. m. Monday to apply these principles to the list of applicants for visas and recommend a list of priorities, in terms of organizations, to the Secretary of State.

¹For article on the Commission, see BULLETIN of Aug. 6, 1944, p. 137.

²Since Feb. 1, 1947, Rear Admiral Stone has been Chief of the Italian Military Affairs Section of Allied Forces Headquarters in Italy.

The American Trade Program—What Do We Have at Stake?

BY CLAIR WILCOX ¹

Why should the American program for world trade be carried forward? This is a question that must have arisen in many minds during the last few weeks. For the United States is preparing to meet with 17 other nations in Geneva on the eighth of April to negotiate on policies affecting trade. And its preparations have been well reported in the press. Before the question that is raised by these headlines can be answered, the story that lies behind them must be told.

The American program has two parts, and the Geneva meeting has two parts. The first part is completion of the draft of a charter establishing common principles of world trade policy and setting up an International Trade Organization. The second part is negotiation directed toward the reduction of tariffs, the removal of other barriers to trade, and the elimination of discriminatory practices. Each of these parts depends upon the other. If there were no trade charter and no trade organization, the benefits sought through trade-agreement negotiation might well be lost in other ways. If there were no trade-agreement negotiation, there would be no charter and no ITO. The program is all in one package. It must be taken as a whole or rejected as a whole.

It is important that the American people examine the contents of this package. Just what does the world trade charter provide? What would the International Trade Organization do? How would our tariff—and other tariffs—be affected by trade-agreement bargaining?

Reduction of Trade Barriers

The trade charter would commit the member nations of the ITO to reduce existing barriers to trade, to promote the further expansion of trade, and to adhere to a code of fair practices when they

regulate their trade. Its provisions may be summarized in a few words:

First, the charter would require the members of the Organization to modify or abandon the devices by which nations have restricted imports, stimulated exports, or discriminated against the trade of other states. It would limit their freedom to employ import and export quotas, export subsidies, and exchange controls. It would require countries with public trading enterprises, as well as those whose trade is carried on by private firms, to accord equal treatment to the commerce of all member states.

Second, the charter would commit the members to curb the restrictive practices of international combines and cartels. It would establish a procedure for bringing complaints against such practices, for making investigations, holding hearings, and recommending remedies.

Third, the charter would encourage the economic development of backward areas and remove impediments to such development.

Fourth, it would commit each member nation to take action designed to achieve and maintain full and productive employment, within its own jurisdiction, through measures appropriate to its own political and economic institutions.

Fifth, the charter would require the members of the Organization, whenever they enter into an intergovernmental agreement regulating the trade in a particular commodity, such as rubber, tin, or tea, to conform to rules that are designed to safeguard the interests of consumers, to force adjustment to changing conditions, and to facilitate the early restoration of free markets.

It should be emphasized that it is the purpose of all of these provisions not to confer upon an international agency the power to regiment world trade but to employ such an agency as a means of liberating trade from the forms of regimentation imposed on it by national governments.

The ITO would complete the structure of international cooperation in economic and political affairs. Each member state would surrender its freedom to adopt certain measures that might be

¹ An address to be delivered before the World Trade Conference in Chicago, Ill., on Feb. 17, 1947. Mr. Wilcox is Director, Office of International Trade Policy, Department of State. This address will be printed as Department of State publication 2758, Commercial Policy Series 100.

harmful to others. Each would agree, in general, to adopt no measures that might be harmful to others without first notifying and consulting them. Each, in short, would give a pledge of economic non-aggression. The Organization would put an end to economic warfare by providing a medium for continuous consultation, for the solution of common problems, and for the settlement of disputes. It would apply to international trade the same principles that the institutions created at Bretton Woods have applied to international finance. The ITO would thus provide the keystone of the arch of international economic cooperation. And that arch must be completed if the structure of international political cooperation is to stand.

Elimination of Discriminatory Practices

The second part of the American trade program is negotiation directed toward the reduction of tariffs, the removal of other barriers to trade, and the elimination of discriminatory practices. It has been said in recent weeks that this negotiation would eliminate the American tariff and establish free trade. This, of course, is not true. The United States would reduce its tariff. But the reduction would be selective; it would be kept within the limits provided by the Reciprocal Trade Agreements Act; and it would be used to purchase equivalent reductions in foreign tariffs and in other barriers to trade. This is precisely what was contemplated by the Congress when it renewed and strengthened the Trade Agreements Act in 1945.

The whole program is one that has long been promised to the people of the United States and to the other peoples of the world. Our country, together with the United Kingdom, stated its purpose, in the Atlantic Charter in 1941, "to further the enjoyment by all States . . . of access, on equal terms, to the trade and to the raw materials of the world. . . ." And it committed itself, along with its Allies, in the lend-lease agreements in 1942 to "the elimination of all forms of discriminatory treatment in international commerce and to the reduction of tariffs and other trade barriers". If the United States were now to abandon its trade program, it would have to violate these promises.

It should be noted, too, that we have already invested several billions of dollars in this enterprise.

We have contributed heavily to the International Bank and the International Monetary Fund, set up to "facilitate the expansion and balanced growth of international trade". We have made extensive loans to other countries on the condition, among others, that they join us in reducing barriers to trade. If we were now to turn away from this objective, our investments would be imperiled and one of the purposes for which we made them would be lost.

But suppose that we ignore the promises and the investments of the past and look only toward the future. Is the trade program a good bargain or a bad one from the point of view of the United States? In order to answer this question, we must weigh the comparative risks of two courses of action. What risks should we run if we were to reject the bargain? What risks should we run if we were to accept it?

Leadership in International Affairs

The first risk that we should run, if we were to reject the bargain, is the loss of our position of leadership in international affairs. The trade program has been an American program at every step of the way. We prepared and published the original *Proposals for Expansion of World Trade and Employment*. We obtained the full agreement of the British, French, and other governments to all important points in these proposals. We issued the original invitations to negotiate for the reduction of tariffs and other barriers to trade. We introduced the resolution that was adopted by the Economic and Social Council providing for the calling of an International Conference on Trade and Employment and setting up a Preparatory Committee. We wrote the *Suggested Charter for an International Trade Organization*, circulated it among governments belonging to the Preparatory Committee, and sent our officials to discuss it with them in their capitals.

It was our charter that the Preparatory Committee adopted as the basis of its deliberations in London in the fall of 1946. It was our work that laid down the pattern to which the experts meeting in London have generally agreed. The ITO is recognized everywhere as an American project. We have brought the rest of the world along on it, step by step, for the last four years. If we were now to abandon it, as we abandoned the League of Nations a generation ago, there is small chance

that the world would seriously consider another program proposed by the United States for generations to come.

Leadership in international affairs is not lightly to be tossed away. But there are those who look upon a concern for our international position as mere sentimentality and insist that every proposal be appraised from the standpoint of "America first". So it would be well to examine this program in cold blood and ask ourselves what risks would be involved in its rejection from the purely selfish point of view of the United States.

The most obvious of these risks is that we should suffer a sharp decline in the volume of our foreign trade. And this could turn the ink in our accounts from black to red. We cannot afford to let our exports drop back from the present level of nearly 10 billion dollars to the pre-war level of 2 or 3 billion. We cannot afford to let our imports drop from 5 billion dollars to 1 or 2 billion.

Need for Foreign Trade

We need large exports. Before the war we sent 2 percent of our farm output abroad; during the war we greatly increased this output; now we send 10 percent of it abroad. Our producers of cotton and tobacco, wheat and flour, corn and hogs, fruits and canned milk, among others, depend heavily on foreign markets. If they are not to be forced seriously to contract their operations, these markets must be preserved. Under the stimulus of war, we also expanded our industrial plant; and now that plant is geared, in many lines, to a level of output which greatly exceeds our normal demands. The producers of automobiles, refrigerators, radios, electrical equipment, farm machinery, factory machinery, office machinery, and many other goods are therefore seeking sales abroad. If millions of dollars invested in these industries are not to be lost, if thousands of laborers employed in these industries are not to be thrown out of work, the foreign markets for their products must be maintained.

We need large imports. The war has made great inroads on our natural resources; we shall be forced increasingly to look abroad for our supplies of such strategic minerals as copper, lead, and zinc. The quantity and the variety of our demand for consumers' goods is capable of indefinite expansion. There are few among us who would not welcome more exotic things to eat and drink

and wear and decorate our homes. We have loaned a good many billions of dollars to other countries. If we are going to collect the interest and the principal on these loans, we must permit the borrowers to pay their debts. We want to go on selling goods abroad. If we don't want to give these goods away or finance them by constantly increasing loans, we must allow their buyers to pay for them. And we must accept these payments in the only ways in which they can be made; by using foreign services and importing foreign goods. Nor is this to be regarded merely as a necessary evil. Our imports are essential to our industrial strength, to the richness and the diversity of our daily living.

We need our foreign trade. But if the American program were to fail, the volume of that trade would almost certainly decline. Tariffs, instead of coming down, would go up. Preferences, rather than being narrowed, would be widened. Far more serious than this, however, is the fact that most other nations would impose quotas on imports and that many nations would so administer these quotas as to discriminate against goods coming from the United States.

Rigidity of Quota System

Quotas are much more effective than tariffs as a barrier to trade, and discriminatory quotas are much more effective than preferences as a method of excluding particular goods. Under tariffs the volume of trade is still determined by private buyers and private sellers. Goods can come in over the tariff wall if the duty is paid. But under a quota system the volume of trade is rigidly fixed. A country may say, for instance, "During the month of March, we will take 57 automobiles: 11 from France, 17 from England, and 29 from the United States." And that is all that comes in. Not a single one above these numbers is admitted.

This is the worst thing that could possibly happen to the trade of the United States. It would necessitate an extremely painful readjustment in our economy. Farmers would have to contract the acreage devoted to export crops. Manufacturers producing for export would have to close their plants and take their losses. Workers, thus displaced, would have to live on insurance benefits while they looked for other jobs. Foreign traders, bankers, and insurance companies would have to get along on less business. Our merchant ma-

rine, with smaller cargoes, would have to lay up many of its ships.

This is the disaster that the United States is seeking to prevent. For, in the absence of the American program, the world would be headed straight toward the strangulation of its commerce through the imposition of detailed administrative controls. The resulting pattern would make the restrictionism of the thirties look like absolute free trade. Our country is standing today like the boy who thrust his thumb into the crack in the dike. If the flood should break through, we should probably survive it, but we should certainly suffer a serious loss. This is not a matter of sentiment. It is a matter of dollars and cents.

The first risk that we should run in deserting our trade program is the loss of our international leadership. The second is the loss of our foreign trade. The third is the impairment of private enterprise.

United States Position

The United States proposes to adhere to its traditional system of employing tariffs as the means of controlling imports. This system is consistent with the preservation of private enterprise. The import quota system is not. Quotas are fixed not by private traders but by public officials. And the movement of goods between any two countries, under a quota system, is determined by the figures on which their officials have agreed. If we in the United States are to be faced by quotas all around the world, we shall have to bargain our way into foreign markets, country by country, product by product, and month by month. And we shall certainly have to set up a sizable bureaucracy to carry on the continuous negotiations that would be involved. More than this, we shall be under great pressure to increase our bargaining power by establishing an import quota system of our own. Indeed, there are certain groups in the United States who have already urged that this be done.

Ever since the war our Government has sought to remove controls and restore the freedom of private enterprise. But if we were to regiment our foreign commerce we should have to reverse this trend. Export and import programs would have to be made out and approved in advance. Export and import allocations would have to be

assigned to individual traders. Licenses would have to be obtained for individual transactions. The businessman, instead of buying and selling whatever he chose, at the time and the price that he chose, would have to fight his way through a maze of controls. Private trade would be tied up tighter than it ever has been in time of peace. And if our foreign commerce were to be regimented so completely one may well question how much real freedom of enterprise we could preserve at home.

Private Enterprise at Stake

Nor is the fate of private enterprise at stake in the United States alone. If the American program for world trade were to fail, its failure would hasten the spread of nationalization among the other countries of the world. If private enterprise is to survive abroad, it must be afforded an opportunity to live and grow. If that opportunity is denied, it will almost certainly be doomed. There may be those who would say that we should let the rest of the world stew in its own juice. But that is the one thing that we cannot afford to do. We cannot insulate ourselves against the movements that sweep around the globe. If every other major nation on earth were to go Socialist, it would be extremely difficult, if not impossible, to preserve real private enterprise in the United States.

If we were to drop our trade program, we should risk our international leadership, our foreign trade, our system of private enterprise. We should also imperil our national security.

Our National Security

Our security rests in part upon our military strength. It rests in part upon the structure of international cooperation that has been built up since the war. Our military strength requires ready access to scarce supplies of strategic materials. It requires access to markets wide enough to keep our heavy, mass-production industries in vigorous operation, their technology advancing, their labor skilled, their managements alert. The American trade program is designed to prevent the imposition of export quotas on such materials as manganese and chromite and tin, and the administration of export license systems in ways that might deliberately divert supplies from the United States to other powers. It is designed to open up

the markets we require if we are fully to operate our strategic industries. It is based upon the belief that we shall be weaker if we attempt to isolate ourselves from the other nations of the world and stronger if we bind their economies to ours with the ties of trade.

So, too, with the agencies of international cooperation. If we, with others, will agree to bring our differences on economic matters to the council table, we may achieve a peaceful settlement. But if we, each of us, insist on retaining freedom to take action without first considering how it would affect our neighbors, we shall provoke bad feeling, retaliation, and economic war. It cannot be said too often or too emphatically that nations cannot expect to achieve an enduring peace through agencies of political cooperation if anarchy is the rule in economic affairs. The world tried that once and it didn't work.

These are the things that we should risk if we were to turn our backs on the American program for world trade: our international leadership, our foreign trade, our system of private enterprise, our national security. What should we risk if we were to carry it through?

There is one risk of which everyone in this country should by now be acutely aware. For it has been voiced repeatedly and insistently in recent weeks and it has filled many of the news columns in the daily press. This is the risk that particular reductions in tariff rates may make it difficult for domestic producers to compete with foreign producers of similar goods. It is undoubtedly true that there is some danger here, but it would appear, upon examination, that it has been overstressed.

American Production

Look around the world. Among all our major competitors we find physical destruction, obsolescence, loss of manpower, malnutrition, economic disorganization, and political uncertainty. In the United States we find the greatest productive plant on earth, physically unimpaired, at the peak of technical efficiency, with ample supplies of highly skilled labor, with the world's highest wages and its lowest costs, directed by the genius of private enterprise. The foreigner who would compete in this market suffers two other handicaps. First, he must pay the costs of transportation, breakage, insurance, and consular fees. Second, he must surmount the tariff wall. Yet many a producer in this country complains that he would be ruined

if that wall were lowered by an inch. In isolated instances that may be true. But for American industry as a whole it certainly is not.

One reason for the fears expressed by some producers can be found in the fact that they have directed their attention exclusively toward the size of their share in the domestic market, assuming that the size of the total market is fixed and cannot grow. If trade expands, foreign producers and domestic producers may both increase their sales, and the share of each in the domestic market may not be changed. But let us assume a case in which the share of the domestic producer actually declines. He may still be better off than he was before. Simple arithmetic should demonstrate that a larger share of a smaller market may bring less business than a smaller share of a larger one. Ninety percent of 100 million dollars in sales is 90 million dollars. Eighty percent of 150 million dollars in sales is 120 million dollars. With the size of the market increased by half, the domestic industry can see its share in the market decline by a tenth and its total sales increase by a third. It is the purpose of the trade program to make the market grow. And a growing market provides increasing opportunities for everyone, not only for the foreign producer but for the domestic producer as well.

Care and Deliberation in Lowering Trade Barriers

The interests of producing groups are carefully safeguarded in the administration of the Trade Agreements Act. Before negotiations are begun, the Tariff Commission makes a thorough study of the competitive strength of each industry involved. The Interdepartmental Committee on Reciprocity Information issues a notice of public hearings, and the Secretary of State publishes a list of all the products on which tariff concessions might be made. In the course of the next two or three months, the Committee receives written briefs from any industry that is concerned and holds extensive hearings where representatives of any industry may appear to argue for or against particular tariff cuts. The Interdepartmental Committee on Trade Agreements then analyzes the studies made by the Tariff Commission, the statements presented to the CRI, and other relevant materials, and, on the basis of all the evidence, makes its recommendation to the President. The final decision lies with the President. And this decision establishes the limits beyond which the

United States cannot go in using tariff cuts at home to obtain tariff cuts abroad. It is not until this procedure is completed that negotiations with other countries can begin. The United States makes no concessions, in the course of this bargaining, unless it obtains concessions in return. Action is always selective; flat cuts across the board are never made. Some rates are cut substantially, some moderately, and others not at all. Barriers are lowered, not recklessly and suddenly but carefully and deliberately. And nobody is really hurt.

Assurance of the Escape Clause

During four successive renewals of the Trade Agreements Act, both houses of Congress have built up a voluminous record that covers, in detail, every criticism that has been raised concerning the operation of the law. In the course of these hearings, particular groups have expressed their fears concerning what might happen to them at some future time. But none of them has demonstrated that these fears have ever been justified. If any industry in the United States has suffered serious injury as a result of the operation of the trade-agreements program, the record does not disclose it.

If any American interest is to be damaged in forthcoming negotiations, it will be because the law is to be less carefully administered in the future than it has been in the past. To make assurance doubly sure, however, the administration has announced its intention of including in all future trade agreements an escape clause which will permit the President to withdraw or modify any concession made in such an agreement if imports of the article in question have increased to such an extent as to cause, or to threaten, serious injury to domestic producers.

In view of the great issues that are here at stake, in view of the comparative strength of American industry, in view of the past administration of the Trade Agreements Act, and in view of the assurances that have been given as to the future, those who now prophesy calamity would appear to be suffering from a curious sense of disproportion. They are in the position of one who thoughtlessly throws a million dollars down the drain while he worries that he may some day lose a dime. Surely

there will be more advantage, for everyone in this country, in big markets than in little markets, in freedom than in regimentation, in economic peace than in economic war. And this is the advantage that the American trade program is designed to gain.

But there is one other risk in pursuing this program—the risk that it may not succeed. There are still pessimists among us who complain that our cause is hopeless; that a freer trading system can never be restored; that nations stricken by the war cannot for years recover sufficiently to participate on equal terms in a world economy; that the tide is running so strongly toward collectivism, regimentation, and restrictionism that it would be futile to attempt to turn it back. It follows, presumably, that we, too, should collectivize, regiment, and restrict, so that, in our trade with other nations, we may fight quotas with quotas, match discrimination with discrimination, and confront public trading monopolies abroad with a public trading monopoly in the United States.

Determining the Balance of Our Interest

Surely this is a counsel of despair. It asks us to accept the certainty of disaster today because there is a chance that we may come to disaster in the end. No people with a drop of red blood in their veins could consent to so craven a surrender of essential principles. We have an opportunity, today, to recreate the kind of a world in which Americans want to live. If we do not seize that opportunity now, it may never be given us again.

Nothing in this world is guaranteed. In any course of action, we must weigh the relative risks, strike a balance, and take a chance. In the case of the American trade program, the balance is clear. On the one side we have our leadership in international affairs, our foreign trade, our system of private enterprise, our national security. On the other side, we have vague fears of future competition and a pessimistic prediction that our program is bound to fail. It should not be too difficult for any rational person, in full possession of the facts, to determine where the balance of our interest lies.

United States Policy on German Youth Activities

[Released to the press February 3]

The Departments of State, War, and Navy released on February 3 a statement on "United States Policy on German Youth Activities". This policy is part of a reorientation program, the general principles of which were set forth in the "Long-Range Policy Statement for German Re-education" published in the United States on August 21, 1946.¹ The policy integrates and extends policies and programs inaugurated by the Office of Military Government for Germany, U.S.

The chief objectives of the "United States Policy on German Youth Activities" are to further the political, social, and moral rehabilitation of German youth and to help German youth overcome the isolation which was imposed upon them by the National Socialist regime.

Text of the policy statement follows:

In accordance with the "Long-Range Policy Statement for German Re-education", it should be the policy of the United States Government to further the political and moral reorientation of German youth toward democracy and peace and to encourage initiative and active participation of German youth in the reconstruction of German community life.

To obtain these objectives the following measures should be taken:

(a) The formation of voluntary youth groups free of National Socialist and militarist tendencies shall be encouraged. Such youth groups may be formed (a) as independent organizations, and (b) as part of, or in cooperation with, authorized political, civic, religious, or other adult organizations.

(b) The aims, programs, and structure of all youth groups shall be consistent with democratic principles and procedures.

(c) Membership in youth groups shall not be made contingent on ethnic origin, social status, financial means, or grounds unrelated to the purposes of the organization.

(d) Except as provided below, no person convicted under the Law for the Liberation from

National Socialism and Militarism or found guilty of conduct hostile to the Allied Forces or to lawfully constituted authorities can become a member of a youth group. In exceptional cases application for membership of such persons may be approved, but only after successful completion of a specific training program, as indicated under subparagraph (m), and upon careful examination of each individual applicant.

(e) Applicants who have held leadership positions in Nazi or militarist organizations, or who have attended Nazi schools but have not been convicted for reasons indicated above, may be admitted after successful completion of a special training program, as indicated in subparagraph (m), and upon careful examination.

(f) Organized activities for all youth shall be such as to provide experience in democratic practices which promote initiative and responsibility, freedom of expression, fairness, and cooperation.

(g) Education for citizenship to include both instruction and participation in community affairs is recommended for all youth.

(h) The arrangement of cultural programs designed to familiarize youth with democratic ways of life and with the efforts of all nations to contribute to moral and social progress is recommended. In producing such programs, cultural institutions, including the media of public information, shall be encouraged to enlist the cooperation of youth.

(i) German authorities shall be advised to enlist the voluntary cooperation of organized and unorganized youth for community-work projects as part of general reconstruction programs.

(j) Community-work projects shall, wherever feasible, include vocational guidance and training to assist youth in developing their ability and in enhancing their economic and social usefulness.

(k) German authorities shall be advised to open opportunities to qualified youth for performing functions involving civic responsibility, particularly functions related to the welfare and activities of youth.

(l) German authorities and organizations shall be advised to arrange, with the assistance of United

¹ BULLETIN of Sept. 1, 1946, p. 428.

States Military Government and of United States Forces stationed in Germany, for the systematic training of youth leaders under expert guidance, and to provide professional counsel as well as such facilities and equipment as are needed to develop youth activities on a regional and local scale.

(m) German authorities shall be advised to consider, and report to Military Government upon, the institution of special measures, devoid of any punitive character, for the purpose of reorienting all youth below the age of twenty-seven pertaining to categories mentioned in subparagraphs *d* and *e*. Exemption from participation can be made, depending on the merits of the individual case.

(n) The establishment and expansion of youth committees and of other institutions and organizations designed to promote community interest in youth activities is recommended. Such arrangements shall give organized and unorganized youth an opportunity: (a) to present their special interests to the community and to Military Government; (b) to avail themselves effectively of expert guidance, educational and recreational facilities and programs provided by the community, Military Government, or the United States Armed Forces to further the reorientation and welfare of youth; (c) to facilitate cooperation among different youth groups; and (d) to contribute to the welfare of the community as a whole.

(o) The American representative on the Allied Control Council will seek quadripartite agreement on interzonal youth policies and, in particular, on freedom of interzonal contact between organized and unorganized youth.

(p) To expedite the resumption of contacts between German youth and youth outside Germany, arrangements shall be made by United States Military Government for the interchange of youth leaders and for joint participation of selected German and non-German youths in conferences, seminars, camps, work projects, tours, and similar programs designed to promote international understanding and cooperation. These arrangements shall be made in accordance with established security procedures.

²For an article on "The Present Status of German Youth" (Parts I, II, III), see BULLETIN of July 14, 1946, p. 49; of July 21, 1946, p. 83; and of July 28, 1946, p. 139. See also Department of State publication 2583.

The background² leading up to this action is set forth as follows:

1. The Situation of German Youth on V-E Day

a. The influence of indoctrination and education. German youth of today has been, partly from birth on, submitted to the influences which the Third Reich dispensed through the nazified system of education, its youth organizations, and other channels of propaganda. The philosophy thus imparted convinced young Germans that "providence" had chosen the German people as a master race destined to govern other nations. Such arrogance was enhanced by the deliberately exalted place which the Nazi Government conceded to the young generation within the nation. Moreover, this youth deprived of all but the official information received a completely distorted picture of trends and events outside the German border. For boys and girls who were selected to become pupils of the Adolf Hitler Schools and the *Ordensburgen*, both the feelings of superiority and the misinformation were considerably intensified.

For all young people of this generation in Germany the physical and mental drill of the Hitler youth became an almost unquestioned form of life. However, what had been for their elders a voluntary confederacy of like-minded youth, became for them a compulsory state institution with an established set of rules oppressive of imagination and every kind of youthful initiative.

b. The influence of war. More than five years of war and the progressive militarization of the Nazi youth organizations resulted in yet greater compulsion and more rigid discipline. The impossibility of satisfying natural youthful instincts was sometimes resented but in general accepted as the price for promised victory. When the war was brought home to the fatherland, bombing, dislocation, and manpower shortage resulted in a near breakdown of the school system and a further curtailment of recreational facilities. As a consequence hooliganism spread, taking occasionally, as for example in the famed Edelweiss gangs, the form of a confused opposition to the ruling authorities rather than to the ruling ideas. When the war brought increasing disaster an even greater number of boys were pressed into para-military formations and hastily trained for cruelty and glorified self-sacrifice.

c. The influence of defeat. Military defeat, preceded and followed by the rapid disintegration of the Nazi system that had over and again exhorted the population never to capitulate, left the young generation with shattered ideals and deprived of the accustomed controls by para-military organizations and political police. In the vacuum thereby created, there was room for new ideals, but even when groping for them the majority of German youth was still a totalitarian youth in search of new leadership.

d. Sources of democratic orientation. On V-E Day, after more than 12 years of totalitarian dictatorship, there were few traditions available inside Germany to guide the reorientation of the younger generation. The leaders of the traditional German youth movement, created shortly before the first World War in opposition to the staleness of the Empire, and revived under the Weimar Republic, were well advanced in age; while some of them had actively resisted Nazi doctrine and practice, a great number of them had compromised themselves under the Third Reich or were not acceptable to the Allies because of their extreme nationalism. Children of parents who had not been won over by Nazism were able to fall back on family traditions based on political, religious, or philosophical grounds. However, the distrust of the younger generation against their elders, deliberately created by the Nazis, was not easily overcome. It was now coupled with the resentment against a generation that had not prevented a catastrophe from which young people seemed to suffer most, since it was to determine their entire life.

A potentially more important source of new orientation was to be found in the spontaneous rejection of totalitarianism on the part of a minority of the younger generation itself. The ever-present pressure exercised by the state, the corruptness and immorality of many Nazi leaders, the fallacies of the Nazi doctrine, especially the race theory, the anti-Christian bias, and the social demagoguery, as well as the official monopoly for information about the outside world, were resented by a small but determined fraction of the youth of various social classes. Gestapo terror and war decimated the members of such groups. But where they survived they could be looked upon as the nucleus of a youth fundamentally opposed to dictatorship in every form.

2. German Youth Under the Occupation

a. New controls. The dissolution of all Nazi organizations by the Allied authorities left German youth without the accustomed controls and supervision. In order to further youth activities and at the same time to prevent acceptable organizations from falling into the hands of politically undesirable elements, youth committees composed of youth leaders, teachers, clergymen, and other responsible persons were established at the *Kreis* (county) level.

b. Schools and youth activities. The gradual reopening of schools and other educational institutions was yet another step to prevent the further demoralization of the youth and the spread of criminality. However, schools will for a long time to come be unable to offer to German youth all the incentives it needs; nor can the schools be expected to take a hand in the organization of leisure time. Because of the teacher shortage, classes are overcrowded and, very often, school periods shortened. Moreover, due to the thorough nazification of the teacher body, the average age of the present teachers is unusually high, so that youth will naturally look outside the classrooms for guidance in many of its activities.

c. The rebirth of a youth movement. American and German authorities have initiated and encouraged the formation of voluntary youth groups primarily as an additional means of recreation, re-education, and control. Hence, main emphasis was given to groups devoted to cultural, religious, and recreational activities. In order to forestall what was feared to be a premature preoccupation of youth with politics, the organization of party-sponsored youth groups was at first altogether discouraged. Since nevertheless youth groups with specific political interests have emerged within or outside the legitimate parties, practices in regard to such groups have shown some deviations in various regions of the American zone of occupation, depending on the individual situation.

d. Attitude of German officials. It has been noted that there is very little inclination on the part of the German authorities to support youth organizations and their activities and that such indifference often hindered and discouraged young people in their efforts. The prevailing cleavage between the older and the younger generation in Germany stems from the fact that German government officials, like teachers, are over age, that

the war has considerably thinned the ranks of people in their twenties and thirties, and that there is mutual distrust of the extreme age groups, the older considering the youth permeated with Nazi and militaristic ideas, because of their training, young people complaining about the lack of guidance provided for them by their elders in past and present.

e. Assistance to youth lent by Office of Military Government for Germany, United States. The Education and Religious Affairs Branch of the Internal Affairs and Communications Division, Office of Military Government for Germany, United States, has appointed in each of the three *Länder* (states) in the United States zone, in the Bremen Enclave, and in the United States section of Berlin one or more competent American officers or civilians with full responsibility for youth activities in their area. Their duties, while primarily supervisory and administrative, consist in facilitating the work of the youth committees and in maintaining relations between these committees and military government officials.

f. Assistance to youth lent by the Army tactical commands. By a directive on youth activities of the Theater Commander of April 15, 1946, stimulation has been given to contacts between American troops and German young people; the principal tactical commanders have appointed German youth activities officers in most units, in some cases in units as small as companies. The sharing of sport facilities, mutual invitation to athletic contests, gifts of equipment by the Army to German youth groups, assistance in the rebuilding of youth hostels and clubs, organization of handicraft classes, the distribution of army rations at children's fairs, and so forth, have been successfully encouraged. The profitable use of leisure time has also been furthered by the promotion of debates and meetings between German youth and Army personnel, in which young Germans were informed about the youth of other countries and were generally familiarized with democratic organization and procedures.

g. The effect of the amnesty. With the proclamation in the summer of 1946 of an amnesty extending to all young people below the age of 27 with the exception of those classified by the denazification law as "chief culprits," "activists, militarists, and profiteers", a further conciliatory move intended to give the great majority of Ger-

man youths a chance for a fresh start has been initiated.

h. Shortcomings and limitations. While it is impossible to ascertain what juvenile delinquency would have been if no program of youth activities had been encouraged, the rate of such delinquency is progressive in all regions of the American zone of occupation in spite of the program. The general demoralization of the younger generation has not been overcome, in as much as uncounted numbers of juveniles, instead of applying for regular employment, enter the black market and barter trade. German girls often prefer to obtain their rations by fraternization with Allied troops.

While the increasing participation of young people in leisure-time programs is gratifying, the lack of equipment and of suitable accommodations still prevents many youth groups from developing their activities. The participation of those who are not members of any group (more than three fourths of the total young population in the 10-18 age bracket) is altogether insufficient.

Reports agree that sport clubs and their activities operate deliberately in a cultural, intellectual, and political void and that it might be partly for this reason that they attract many youths who are unwilling to take any stand on fundamental issues.

To what extent the spiritual and political re-orientation of German youth has made headway is doubtful. The sometimes enthusiastic response to efforts made in that direction has always come only from a small minority. The great majority of German youth is described as distrustful, apathetic to political questions if not outright cynical, and altogether uncertain as to where to fix its wavering loyalty.

3. Targets for the Rehabilitation of German Youth

In order to further the already initiated rehabilitation of German youth, it is considered necessary to aim at the following objectives:

a. To substitute Nazi and militarist thought by a new set of values compatible with democratic ideals and essential to social progress.

b. To protect German youth against undesirable political influences and to provide for the adjustment of Nazi youth in order to facilitate their political rehabilitation and their absorption by the community.

c. To provide German youth with new moral,

social, and political incentives so as to invite their active participation in the reconstruction of their country and to overcome their indifference or hostility to community affairs, their intolerance and lack of initiative.

d. To foster youth groups as a means of control, as a means of facilitating reorientation, and as a means of self-expression.

e. To permit youth groups to operate in connection with adult civic groups, including political parties, in order to further civic education and to prevent clandestine or subversive activities by uncontrolled political groups.

f. To reduce the dangers of mass loafing and delinquency by enhancing the social usefulness of youth through work projects and intensified vocational training.

g. To promote and perpetuate community interest in youth and youth activities and to secure cooperation of youth with the community.

h. To rejuvenate existing political and civic bodies.

i. To overcome the isolation of German youth by resuming contacts between German youth and youth outside Germany.

United States Attitude Toward Polish Government

STATEMENT BY THE SECRETARY OF STATE¹

[Released to the press February 7]

This Government's position with respect to the recent elections in Poland was made clear in the statement issued by the Department of State on January 28.² As explained at that time this Government intends to continue to follow closely the situation in Poland and, while maintaining its interest in the welfare of the Polish people, it will retain full liberty of action to determine its future attitude toward the Government of Poland and will continue to keep itself informed of developments in Poland through its diplomatic mission in Warsaw.

In this connection it is expected that the Ambassador to Poland will be returning in the near future for consultation in order that the Department may receive a first-hand account of recent developments.

Presentation of Letters of Credence by Polish Ambassador

[Released to the press February 4]

The remarks of the newly appointed Ambassador of Poland, Jozef Winiewicz, upon the occasion of the presentation of his letters of credence, February 4, 1947, follow:

MR. PRESIDENT: It is for me indeed a great honor that I have been called upon and designated to represent my country with the Government of the United States. Every Pole feels the greatest admiration as well as a sincere friendship toward the great and splendid country of George Washington. In the heart of every Pole are deeply and lastingly engraved memories of facts and persons, which have been immortalized on those pages on which the history of the United States and that of Poland are sometimes so closely interwoven.

Two great Poles, Kosciuszko and Pulaski, fought for the high ideals of democratic government and the democratic way of life on the battlefields of both Poland and America. The names of those Poles have passed into the history of the United States. The regaining of our independence and the rebirth of our national life after the first World War is irrevocably connected with the great name of Woodrow Wilson. In the most difficult days of the second World War the name of Franklin Delano Roosevelt was on the lips of every Pole as the name of one of the great leaders of the United Nations fighting against German aggression.

After the first World War the help given by the United States saved thousands of Polish children from death by hunger, and the financial assistance of your country was of great help to us in rebuilding our life from ruins. Once more, when after the second World War Poland was faced with the enormous task of reconstruction and rehabilitation, the help of the United States, coming mainly through the United Nations Relief and Rehabilitation Administration, assisted us to rebuild the foundations for a peaceful development of our national life. I wish to assure you, Mr. President, that my Government and every one of my com-

¹ Made at his press conference on Feb. 7, 1947.

² BULLETIN of Feb. 9, 1947, p. 251.

patriots remembers this and is grateful for the help of your great Nation.

It is also the sincere desire of my Government that the relations between our two countries shall be of the best, that they remain true to a long tradition of uninterrupted friendship and cordiality rare in the history of nations. I also will regard it as my solemn duty to continue and develop these traditions of the past.

Poland is still continually struggling with the difficult task of rebuilding its life after the terrible destruction of war, which does not have its equal in modern history. The proud capital of my country was almost razed to the ground. Thousands of villages and towns lay in ruins. At the time when the hostilities ceased, several million Poles, displaced by war, were looking for new homes on their liberated soil. Despite that, though slowly and with difficulty, but gradually and systematically, life returns to its normal course.

Poland was given also new boundaries and within these new boundaries had to carry out the transfer of several million persons in order to populate her new western territories, to restart their industry and agriculture, and thus to contribute also to the rebuilding of the entire European economy. At the same time, Poland had to heal the psychological wounds inflicted by the war upon her population, and to stabilize her political life, unbalanced by the violent shock of war.

However, Poland does not isolate herself within her own circle of affairs, but desires to take her share in all international efforts aiming at the creation for humanity of a better future and democratic foundations and of a sincere and loyal cooperation of all the peace-loving nations. In these our efforts we count on the sincere understanding of your country, Mr. President, and on its friendly help.

In this spirit, the President of the National Council of Poland has instructed me to extend his warmest wishes to yourself personally and to the people of the United States. These wishes are accompanied by the sincerest feeling of friendship of the entire Polish Nation for your country, Mr. President, and for your countrymen.

I am glad, and it is for me a great honor, that I have been chosen to express these sentiments to you.

I now present to you, Mr. President, the letter of recall of my distinguished predecessor, Am-

bassador Dr. Lange, and my letter of credence as Ambassador Extraordinary and Plenipotentiary of the Republic of Poland.

The President's reply to the remarks of Ambassador Winiewicz follows:

MR. AMBASSADOR: I accept your letters accrediting you as the Ambassador Extraordinary and Plenipotentiary of the Republic of Poland and the letters of recall of your predecessor, Ambassador Lange.

The American people are also deeply aware of the bond of sympathy that has existed between them and the Polish people from the earliest days of this Republic, based on their common love of freedom. They will long remember the heroic and tragic role of the people of Poland in the recent war against the evil forces of aggression. I can assure you that the American people have followed with greatest interest the efforts of the Polish people to meet the urgent task of reconstruction and to reestablish their national life. The Government of the United States gave expression to this interest in the Polish people when it joined with the British and Soviet Governments in the important decisions concerning Poland that were taken at the Yalta and Potsdam Conferences. One of these decisions provided for the holding of a free election and the Polish Provisional Government of National Unity pledged itself to carry out this decision. It is a cause of deep concern to me and to the American people that the Polish Provisional Government has failed to fulfil that pledge.

The Government of the United States has not lost interest in the welfare of the Polish people. It is with this in mind that I offer to you the cooperation of the officials of this Government.

United States and Denmark Raise Missions to Embassies

[Released to the press February 6]

The Governments of the United States and Denmark have agreed to an exchange of Ambassadors and to the raising of their respective diplomatic missions in Copenhagen and Washington to the rank of Embassies.

Minerals as a Factor in U.S. Foreign Economic Policy

BY PAUL H. NITZE¹

Any estimate of peacetime mineral requirements is bound to be uncertain at the best. I remember the attempts that all of us who were concerned with minerals during the last years of the war made to estimate the probable copper and aluminum situation once war-production contracts were canceled. We all doubted that peacetime requirements would be able to absorb anything approaching wartime copper and aluminum production, and felt that not only the United States but the whole world would be faced with a serious excess-supply situation. The actual course of events during the last two years has dramatically proved us wrong. The mineral requirements of a United States economy edging up toward a national product of 200 billion dollars per annum have exceeded all expectations. We are approaching a situation of scarcity in certain minerals fully comparable to the situation existing during the war. In part, we are living on stockpiles accumulated by the Metals Reserve Company in prior years and are still not meeting the requirements of industry.

The availability of minerals from abroad to fill the gap between domestic production and the requirements of industry has also turned out differently than we expected. The war gave a tremendous impetus to industrialization in Canada, Australia, Brazil, Argentina, India, South Africa, and many other countries. This trend has continued and become almost a world-wide movement, except in Germany and Japan, which are still at a low level of recovery. This trend toward industrialization has been accompanied by a drive on the part of foreign labor for greatly increased wages and a higher standard of living. In most foreign countries, wage rates and costs have risen much more rapidly than in the United States. Not only has the demand for minerals abroad exceeded expectations, but production has suffered from a variety of causes.

¹ An address delivered before the Colorado Mining Association in Denver, Colo., on Feb. 7, 1947, and released to the press on the same date. Mr. Nitze is Deputy Director, Office of International Trade Policy, Department of State.

In the United States we have made great progress in freeing business from wartime government controls. In almost all other countries the trend has been less rapid or even in the opposite direction. Nationalization, strict control over exports and imports, and the interjection of politics into business have hampered a free development of production and trade in large areas of the world.

As a result we are faced *not* with a flood of minerals seeking the United States market. Our concern is rather whether in the long run we are going to be able to maintain non-discriminatory access abroad to those minerals in which we are deficient at home. In a recent speech, Mr. Clayton, Under Secretary for Economic Affairs, said: "In the past the emphasis, in our foreign trade, has been on exports; within the near future it will probably be on imports."

Certainly the problem in the United States today is not one of finding a market for minerals. The problem is exactly the reverse. The problem is one of a shortage of developed reserves, and in many minerals even a shortage of indicated commercial reserves. Elmer Pehrson of the Bureau of Mines in 1945 estimated United States commercial reserves as compared with the 1935-39 annual rate of use. You are all familiar with these estimates, as they have been the subject of a good deal of discussion since. You remember they indicated no commercial reserves for flake graphite, quartz crystals, industrial diamonds, tin, and nickel; 1 year for chromite; 2 years for manganese; 3 for asbestos and mercury; 4 for platinum and tungsten; 7 for vanadium; 9 for bauxite; 12 for lead; 19 for zinc; and 34 for copper. Thanks to Colorado's Climax Mine, his estimate for molybdenum was 422 years.

Since that time prices have advanced substantially, probably throwing additional ore into the commercial class. On the other hand, the depletion of another two years' production has taken place, and the 1935-39 rate of use has been found to be at least 30 percent under current annual requirements.

Everyone recognizes the time that is required for mining organizations to convert from a situation where all effort necessarily had to be put on maximum current production to one where adequate attention is given to the development of future ore reserves and the discovery of new ore bodies. Enough time has not yet elapsed since the end of the war for this transition to have been fully made or for it to have produced substantial results. If the normal development of our economy is not to be seriously restricted by a shortage of minerals and if our national security is not to be jeopardized, it is essential that this work go forward rapidly, not only in this country but abroad.

The strategic security of the United States can be aided by the accumulation of adequate stockpiles of strategic minerals. An expansion of the stockpiling program would have the complete support of all of us. Stockpiles, however, are no solution to the continuing requirements of an expanding peacetime economy. In the case of those minerals where we lack self-sufficiency, continuing access to the minerals of the rest of the world is an absolute requirement of the very life of our nation.

This brings me to our foreign policy. One of the purposes of our foreign policy is to play an appropriate role in leading the world back to a condition of both political and economic peace. It is only in such a world that the United States, as we know it, can survive. The foreign policy of the United States has the full backing of both the Republican and Democratic parties and of the people. The basic principles of our foreign economic policy are an integral part of our over-all foreign policy and, we believe, have the same wide support. It is with respect to some of the measures considered necessary to implement these principles that some division of opinion has arisen.

One of these measures as to which there is a division of opinion is the reciprocal trade-agreements program. This program is part of a much broader interrelated foreign economic program in which the International Bank, the International Monetary Fund, the proposed International Trade Organization, and the program for aiding American business both at home and abroad through the negotiation of modern treaties of friendship, commerce and navigation all play essential parts. This over-all program is designed to relieve the

financial, monetary, and trade barriers to a peaceful economic world, and to secure for nationals of the United States protection from discriminatory treatment abroad.

As I said, the various parts of this program are interrelated. The loans of the International Bank might be uncollectible in a world of violently fluctuating currencies, and neither the Bank nor the Fund could function in a world divided into narrow trading blocs.

But to return to the trade-agreements program. Hearings before the Committee for Reciprocity Information have just come to a close. This committee includes representatives of the Tariff Commission, the Department of Commerce, the Treasury Department, the State Department, and the War and Navy Departments. It seeks to obtain from all interested persons their views as to the possible effects of tariff changes on each item up for consideration. Its reports, and independent studies made by the Tariff Commission and the Department of Commerce, are then submitted to another interdepartmental committee, the Trade Agreements Committee. On the basis of all the known facts, this committee makes recommendations to the President as to concessions which should be sought from foreign countries and as to those which we might be prepared to offer in return. The Trade Agreements Committee is beginning to formulate its recommendations, and actual negotiations with 17 countries are scheduled to begin in Geneva, Switzerland, on April 8.

From the testimony presented before the Committee for Reciprocity Information, it is evident that even though there is a full realization by the mining industry that substantial imports of most metals and minerals are necessary at the present time, and will continue to be necessary, there is considerable concern as to what might happen at some time in the future if domestic and foreign demand declines.

None of us has great confidence in the ability of anyone, even the experts, of whom I certainly am not one, to foresee the future with any degree of accuracy. Decisions, for better or worse, cannot, however, be put off indefinitely. In order that we may proceed with a program that on the basis of all the information currently available appears to be in the national interest, and still protect ourselves against unforeseen future developments, it has been decided to include in all future

trade agreements what we call a *Mexican escape clause*. Such a clause was included in the last trade agreement negotiated, the one with Mexico. It provides in substance that either government may cancel any tariff concession provided by the agreement, if, as a result of unforeseen developments, serious injury to domestic producers threatens to result. In other words, if, as the result of either changed economic conditions or, let us say, the discovery of a new low-cost mine abroad, United States producers are threatened by increased low-cost imports, your Government is free at any time to withdraw any concession it may have made in the agreement. The inclusion of such an escape clause in all future trade agreements should help to dispel fears of the unknown future and make it easier for us to keep our sights firmly fixed on the major objectives of an expanding domestic economy and a world at peace economically and politically.

In meeting this broad objective, our domestic mining industry must be strong. It must develop increasingly effective discovery techniques and increasingly efficient mining and metallurgical processes. It must continue to develop additional commercial mineral reserves. We must also preserve freedom of access to those foreign mineral reserves that are essential to the preservation of the economic strength of the United States, not just for a decade or two but for the longer future. This last requirement means that we cannot afford to creep back into an easy isolationism; we cannot see great areas of the world slip back into that economic chaos that breeds alien philosophies and antagonistic political blocs. We must preserve the strategic position of the United States in world affairs. It is on that strategic position that the entire structure of the United Nations depends.

Professor of Hispanic-American History To Visit Colombia

Dr. Arthur S. Aiton, Professor of Hispanic-American history at the University of Michigan, Ann Arbor, Mich., has received a grant-in-aid from the Department to enable him to serve as visiting lecturer on American history at the Cultural Center in Bogotá, Colombia. He is one of a distinguished group of educators who have re-

ceived grants under the program administered by the State Department for the exchange of professors and specialists between the United States and the other American republics. Dr. Aiton's visiting lectureship is part of a joint project of the Division of International Exchange of Persons and the Division of Libraries and Institutes of the Department, under which some eight visiting lecturers in the fields of American history, literature, art, and music will lecture in cultural centers in various of the other American republics during the current year.

Peru Ratifies Convention on Nature Protection and Wildlife Preservation in the Western Hemisphere

The Pan American Union informed the Department of State by a letter dated November 26, 1946 of the deposit on November 22, 1946 of an instrument of ratification by the Government of Peru of the convention on nature protection and wildlife preservation in the Western Hemisphere, opened for signature by the American governments on October 12, 1940.¹ The ratification becomes effective on February 22, 1947, three months after the date of its deposit.

Proposal on Minorities—Continued from page 278

sions should serve in his place for the remainder of the term.

(3) The members of the Subcommission should be chosen by the Commission on Human Rights at its second session. The choice should be made from among a list of individuals submitted by such Human Rights Commission members as care to make nominations, each member being authorized to nominate eleven names, each from a different country.

Cooperation with the United Nations and Other Organizations

The Subcommission shall cooperate in matters of common concern with the appropriate principal and subsidiary organs of the United Nations and with specialized agencies. The Subcommission may make special arrangements for consultation with other intergovernmental organizations.

¹Treaty Series 981.

Discussions Between U.S. and Mexico on Illegal Entry of Mexican Workers Into U.S.

[Released to the press February 6]

Conversations have just been concluded in Mexico City between representatives of the United States Government and the Mexican authorities concerning migratory problems resulting from the illegal movement of Mexican workers whose number in the United States is estimated as having reached a total of about 119,000. The United States Government was represented by Mr. Ugo Carusi, Commissioner of Immigration; Mr. William G. MacLean, of the Department of State; and officers of the American Embassy in Mexico City. It should be understood that the recommendations of the representatives of the two Governments are not binding on either Government, and none of the recommendations will become effective unless they are included in an agreement concluded by Mexico and the United States.

Following the termination of these discussions with the Mexican Government, the following announcement is being made in Mexico City by the Mexican Ministry of Foreign Affairs:

"Among the urgent problems which the Ministry of Foreign Affairs has had to consider is that of Mexicans who entered the United States illegally and who, because of their illegal entrance, are working under disadvantageous conditions without being able to appeal for protection and aid to the United States authorities and to our consulates.

"As this situation, in addition to affecting the economy of the country, has unfavorable effect on the above-mentioned fellow citizens, the Government of Mexico, through the Ministry of Foreign Affairs, proposed to the United States Government the holding of conversations in Mexico City by representatives of both countries with the view to finding an adequate solution of the problem. The invitation having been accepted, the representatives of the two Governments met, and after a week of cordial discussions in which was emphasized the most complete understanding, they agreed to recommend to their Governments the adoption of a series of measures which tend on the one hand to put an end to the illegal immigration, and on the other hand to solve favorably for the Mexicans who are in the United States

their present immigration status, and to better their conditions of employment. Among the recommendations are the following:

"1. The suggestion that the border immigration vigilance not only in the United States but also in Mexico, to impede illegal departure from Mexico, be redoubled;

"2. The recommendation that there be not admitted to the United States outside of these arrangements other than persons provided with a passport which sets forth their immigration status by means of appropriate visas;

"3. A petition on the part of the Mexican representatives that the United States authorities examine the possibility of adequate sanctions against employers who give work to illegal immigrants. (With this measure it is hoped to avoid the abuses by certain employers toward Mexican workers who, because of their illegal residence in the United States, cannot enjoy the guaranties and protection which the law grants to workers in general);

"4. The contracting under acceptable conditions of those workers who may be found illegally in the United States so that in this way their immigration status will be established and they will be assured of adequate remuneration for their labor; these workers must be returned to points in Mexico along the border before their immigration status can be established. The Ministry of Foreign Affairs considers it timely to explain that such contracting will be available exclusively to Mexican workers who may be in the United States under the above-described conditions and consequently does not imply any possibility of contract under the protection of this arrangement for other workers from any part of the country.

"The proposed recommendations will be placed in force 30 days after both Governments officially approve them."

President-Elect of Uruguay Visits U.S.

Tomás Berreta, President-elect of Uruguay, arrived in the United States on February 4, accompanied by several Uruguayan dignitaries. The official party arrived in Miami by airplane, paid a visit to New York City and to Philadelphia, and on February 11 arrived in Washington, where they remained at the Blair House until February 15 as guests of this Government.

Adherence of Austria to Postal Convention

The Swiss Legation informed the Department of State by a note dated December 4, 1946 that the Government of Austria has adhered to the Universal Postal Union convention with final protocol, signed at Buenos Aires on May 23, 1939, and to the following accessory agreements: provisions concerning the transportation of regular mails by air, with final protocol; agreement concerning

insured letters and boxes, with final protocol; parcel post agreement, with final protocol, and provisions regarding the conveyance of postal parcels by air, with final protocol; money orders agreement and supplement concerning the service of travellers' postal vouchers; agreement concerning transfer to and from postal cheque accounts; agreement concerning the collection of bills drafts, etc.; agreement concerning subscriptions to newspapers and periodicals.

The act of adherence by Austria is dated August 28, 1946.

World Distribution of Grain Exports—Continued from page 265

is not clear at what point the procurement of wheat in an expanded program would narrow down or cease.

Criteria Used in Evaluating Stated Requirements

Submission of requirements to the IEFC must be supported by detailed information on the size of this year's crop, by comparisons with the production of last year and of the pre-war period; disposition of the crop for human food, animal feed, seed, waste, and so forth; stocks on hand at the beginning of the crop year and end stocks desired; retention by self-suppliers for food; ration scale in force for non-farm population, with totals needed for consumption; indigenous availability of potatoes and other foods; and livestock population at present as compared with last year and pre-war years. Also taken into account are estimates of the total caloric intake which the desired grain import would support, and the extent of dependence upon grains.

Meeting of New Requirements

New requirements submitted late in the crop year will be given consideration by IEFC, which is working on the basis of world-wide needs. Such requirements will, however, be subjected to the same close scrutiny and application of the same criteria as were used in studying the requirements of other countries. This study involves consideration of the total grain position in each country. It takes account of the possibilities each country has of meeting its minimum needs in deficit areas by shifts of supply within the country itself. In

no country is it possible to meet the full amount of the statistical requirement which is presented. Every country which has a grain shortage is compelled to exhaust every possibility for meeting the situation by maximizing collections from producers, by perfecting and equalizing distribution within its borders, and by minimizing feeding of grain to livestock. In judging how much can be made available for each country, it must not be forgotten that any increase for one country can only take place, in a great world deficit like the present, by reduction of the amounts which can be sent to others. Consequently the United States cannot consistently increase its shipments to any one country or undertake shipments against a new requirement unless such action is justified in consideration of total needs and on the basis of conclusions reached in the light of the comparative needs of all claimant countries. This country does not make such decisions unilaterally but is guided by recommendations of the IEFC as representing the most equitable pattern which can be achieved on a multilateral basis for world distribution of grain.

It is a matter of no small satisfaction to note the recognition by representatives of countries largely dependent upon grain imports both of the unprecedented volume of exports now being achieved from the United States and the consistent fairness, within the limits of available information, of the distribution made. The extent to which the world is now depending upon grain exports from the United States is at once staggering and sobering.

Biographic Sketch of Secretary of State George C. Marshall

George Catlett Marshall was born at Uniontown, Pennsylvania, December 31, 1880, son of George Catlett and Laura (Bradford) Marshall. He is a descendant of the Reverend William Marshall, an uncle of Chief Justice John Marshall. His father was an operator of coal and coke industries in southwest Pennsylvania. General Marshall received his education at the Virginia Military Institute, where he was first captain of the Corps of Cadets, an all-southern football tackle, and a graduate of the class of 1901.

Accepting a commission as second lieutenant of infantry in the United States Army in February 1902, he joined the 30th Infantry in the Philippine Islands and served there until November 1903, when he returned to the United States with his regiment for station in Oklahoma. He was senior honor graduate of the Infantry-Cavalry School at Fort Leavenworth, Kansas, in 1907, and on March 7 of that year he was promoted to first lieutenant. He was graduated at the Army Staff College, also at Fort Leavenworth, in 1908, and remained there two years longer as an instructor.

In 1911-12 he was inspector-instructor of the Massachusetts National Guard, after which he served with the 4th Infantry in Arkansas and Texas until the summer of 1913. The next three years were spent in the Philippines, the last year as aide-de-camp to Gen. Hunter Liggett. He was Chief of Staff of the Field Force organized for the defense of Corregidor and the Bataan Peninsula, and served with it in a landing at Batangas and Lucena representing a Japanese invasion, which was opposed by another field force.

Returning to the United States in May 1916, and being promoted to captain on July 1, 1916, he served as aide-de-camp to Gen. James Franklin Bell at San Francisco. He was executive officer of a civilian training camp at Fort Douglas, Utah. Later he served with General Bell at Governors Island, New York. In July 1917, he was detailed on the General Staff and sailed for France with the first convoy of the First Division.

During the following 12 months he participated in the operation of the First Division, east of Lunneville, in the fall of 1917, and in 1918 on the St. Mihiel front from January to March, and in Picardy and Cantigny from March to July.

He was then assigned to General Headquarters at Chaumont and given the task of drafting the plans for the St. Mihiel offensive. In August he was attached to the First Army and continued work on the St. Mihiel operation. As that battle got under way, he was given the task of transferring some 500,000 troops and 2,700 guns to the Argonne front in preparation for that battle. In October 1918, he was formally released from assignment to General Headquarters and appointed Chief of Operations of the First Army then in the midst of the Meuse-Argonne battle. In November he was made Chief of Staff

of the Eighth Army Corps and continued in that capacity until the spring of 1919 when he was recalled to General Headquarters for work in connection with the proposed advance of our Army further into Germany. While overseas he was promoted to major (temporary) in August 1917, to lieutenant colonel (temporary) in 1918, and to colonel (temporary) in August 1918.

In May 1919 he became aide-de-camp to Gen. John J. Pershing with whom he returned to the United States in September 1919 and with whom he served until the summer of 1924. Meanwhile he reverted to his permanent rank of captain in June 1920 and was promoted to major in July of that year, and to lieutenant colonel in 1923. During 1924-27 he served with the 15th United States Infantry at Tientsin, China. Later he was an instructor at the Army War College, 1927; Assistant Commandant of the Infantry School, Fort Benning, Georgia, 1927-32; Commander of the 8th Infantry at Fort Screven, Georgia, and later at Fort Moultrie, South Carolina, 1932-33; and senior instructor of the Illinois National Guard, 1933-36. In August 1936 he commanded the Red forces in the Second Army maneuvers in Michigan.

Having been promoted to colonel in 1933, he became a brigadier general in 1936 and assumed command of the 5th Infantry Brigade at Vancouver Barracks, Washington. In August 1937 he commanded the Red forces in the Fourth Army maneuvers at American Lake, Washington. In July 1938 he was ordered to Washington, D. C., as Assistant Chief of Staff, War Plans Division, General Staff. Three months later he became Deputy Chief of Staff, and in May and June 1939 he served as Chief of the Military Mission to Brazil, making the voyage on the cruiser U. S. S. *Nashville*. In July 1939 he was detailed as Acting Chief of Staff of the Army, and in September 1939 he was appointed Chief of Staff of the Army, with the rank of general. On December 17, 1944, he was promoted to the newly created five-star rank of General of the Army.

As Chief of Staff, General Marshall was the professional head of the nation's military establishment and commander of the field forces. In this capacity, with the Secretary of War and the President as his superiors, General Marshall had charge of the mobilization, organization, equipping, and training of the Nation's military forces, which grew under his command from a scattered combat force in the continental United States of some 1,064 planes and 174,000 troops, to a total in May 1945 of eight and a quarter million men and an air force of over 69,000 planes (of all types). The officer corps on active duty was similarly increased from 13,000 officers in July 1939, to 764,000 in September 1945. During this rapid development of the Army, General Marshall was charged with the development of higher commanders and staffs, and with the occupation of numerous overseas bases.

General Marshall's initial efforts to build up the Army

were hampered by the failure of the public to realize the seriousness of the situation which was rapidly developing with respect to the security of the United States. It was not until May 1940, when the German Army overran France and destroyed the bulk of the heavy equipment of the British Army at Dunkirk, that he was able to make any material advances with his plans.

In the summer of 1940 General Marshall urged the establishment of Selective Service and the federalization of the National Guard for a year of training. Congressional action was taken on these matters in the early fall. This involved an increase in the strength of the Army to approximately one and a half million men. To provide training facilities for this force, a huge construction program was carried out during the winter of 1940-41.

On July 1, 1941, General Marshall urged the extension of service of selectees and the National Guard and that restrictions limiting use of the National Guard and selectees to the Western Hemisphere be removed. He stated that in his opinion a grave national emergency then existed and that governmental action should be taken accordingly. After prolonged discussion, Congress provided, by a majority of one vote in the House, for retention of the National Guard and selectees for an additional period of 18 months, but it declined to remove the geographical restrictions on the use of troops.

During the autumn of 1941, the Army engaged in the largest peacetime maneuvers in the history of the Nation, involving approximately one million men in the field. These maneuvers, conducted on the most realistic basis possible, indicated the great progress which had been made in the training of the Army higher commanders, staffs, supply services, and troops during the year which preceded them.

By Executive Order in March 1942, the Chief of Staff was made directly responsible to the President as Commander in Chief in matters of strategy, tactics, and operations.

By virtue of his office as Chief of Staff, he was a member of the Joint Chiefs of Staff and of the Combined Chiefs of Staff. He accompanied President Roosevelt on his trip to confer with Prime Minister Churchill of Great Britain at sea in August 1941. It was at this conference that the Atlantic Charter was formulated.

In December 1941 and January 1942 he took part in the conferences held between the President, Mr. Churchill, and the British Chiefs of Staff. It was during these later conferences that the principles of unity of command in the Far East were established. This step which required four years for consummation during World War I was accomplished in the first months of the United States participation in World War II.

Later he participated in every conference held between the President, Mr. Churchill, and later Generalissimo Stalin and Generalissimo Chiang Kai-shek. These included the meetings at Casablanca, Quebec, Cairo-Tehran, and Yalta. Following the death of President Roosevelt and the defeat of Germany, he accompanied President Truman when the latter met with Mr. Churchill and Mr. Attlee and Generalissimo Stalin at Potsdam.

Extensive service in China and the Philippines and

several visits to Japan have given General Marshall intimate knowledge of conditions in the Far East.

For his services in World War I, General Marshall was awarded the Distinguished Service Medal, and the Silver Star. He wears four stars on his Victory Medal Ribbon (World War I) and is eligible for but does not wear, by his own wish, all three theater ribbons without stars of World War II. His other service medals and ribbons include the Philippine Campaign Medal, German Occupation (World War I) and National Defense Ribbon (World War II). He has also received the following foreign decorations:

Croix de Guerre with Palm (France)
 Legion of Honor, Grand Croix (France)
 Order of St. Maurice and St. Lazarus (Officer) (Italy)
 La Solidaridad (Panama)
 Order of the Crown of Italy
 Silver Medal for Bravery (Montenegro)
 Merito Militar (Grand Cross) (Brazil)
 Star of Abdon Calderon (Ecuador)
 Gran Oficial del Sol del Peru
 Grand Cross of Ouissam Alaouite Cherifien (Morocco)
 Military Order of Merit, 1st Class (Cuba)
 Order of Merit (Chile)
 Order of Suvarov, First Degree (USSR)
 Knight Grand Cross, Order of the Bath (Military Div.) (Great Britain)

He holds the following honorary degrees:

D.Sc., Washington and Jefferson College, 1939
 D.M.Sc., Pennsylvania Military College, 1940
 LL.D., William and Mary College, 1941
 LL.D., Trinity College, 1941
 D.M.Sc., Norwich University, 1942

General Marshall is a member of the Episcopal Church. He was married (1) at Lexington, Virginia, February 11, 1902, to Elizabeth Carter Coles, daughter of Walter Coles, a doctor of Virginia birth, and resident in St. Louis, Missouri (died 1927); (2) at Baltimore, Maryland, October 15, 1930, to Katherine Boyce (Tupper) Brown, daughter of the Reverend Allen Tupper, of New York, and widow of Clifton S. Brown, of Baltimore, Maryland.

He was relieved as Chief of Staff, at his own request, on November 20, 1945, and was succeeded by General of the Army Dwight D. Eisenhower. On November 26, 1945, General Marshall was awarded an Oak Leaf Cluster to his Distinguished Service Medal, an award which was presented to him by the President of the United States, Harry S. Truman. The citation is as follows:

"In a war unparalleled in magnitude and in horror, millions of Americans gave their country outstanding service. General of the Army George C. Marshall gave it victory.

"By a favor of Providence, General Marshall became Chief of Staff of the United States Army on the day that Germany attacked Poland. His was the vision that brought into being the greatest military force in history. Because he was able to make the Allies understand the true potentiality of American greatness in personnel and

matériel, he was able to exercise greater influence than any other man on the strategy of victory.

"It was he who first recognized that victory in a global war would depend on this Nation's capacity to ring the earth with far-flung supply lines, to arm every willing Ally and to overcome the aggressor nations with superior fire power. He was the first to see the technological cunning and consequent greater danger of the Nazi enemy. He was the master proponent of a ground assault across the English Channel into the plains of Western Europe directed by a single Supreme Allied Commander. He insisted on maintaining unremitting pressure against the Japanese, thereby preventing them from becoming entrenched in their stolen empire and enabling our timely advances across the Pacific. He obtained from Congress the stupendous sums that made possible the atomic bomb, well knowing that failure would be his full responsibility.

"Statesman and Soldier, he had courage, fortitude, and vision, and best of all a rare self-effacement. He has been

a tower of strength as counsellor of two Commanders in Chief. His standards of character, conduct and efficiency inspired the entire Army, the Nation and the world. To him, as much as to any individual, the United States owes its future. He takes his place at the head of the great commanders of history."

The day after receiving the above decoration, General Marshall was appointed by President Truman as Special Representative of the President to China with the personal rank of Ambassador. General Marshall arrived in China on December 20, 1945. He returned to the United States March 15, 1946 to confer with the President and left again on April 12 for China where he remained until January 8, 1947.

General Marshall's appointment as Secretary of State was announced by the President on January 7, 1947, and the appointment was unanimously confirmed by the Senate on January 8. He arrived in Washington January 21, 1947 and was sworn in as Secretary of State on that date.

Participation of U. S. in International Agencies and in International Conferences

[Released to the press February 8]

The Department of State released on February 8 two manuals, *International Agencies in Which the United States Participates* and *Participation of the United States Government in International Conferences, July 1, 1941-June 30, 1945*. These two publications outline the nature and purposes of many of the international organizations, unions, conferences, congresses, and commissions through which the United States Government works with other governments for international peace and well-being.

International Agencies in Which the United States Participates (publication 2699) was prepared by the Division of International Organization Affairs in collaboration with the Division of Historical Policy Research and the Division of Publications at the request of Sol Bloom, Chairman of the House Committee on Foreign Affairs. It contains a classified list of 216 international agencies in which this country is at present, or has been in the past, a participant. The classification includes agencies in the following groups: agricultural; commercial and financial; commodity; educational, scientific, and cultural; political and legal; social and health; and transport and communications.

Such information as the seat of the agency; origin and development; purposes, powers, and

functions; structure; finances; United States relations; and present status makes this publication a reliable source of material for governmental and other groups interested in the broadening of our international relationships.

The companion manual, *Participation of the United States Government in International Conferences, July 1, 1941-June 30, 1945* (publication 2665), prepared by the Division of International Conferences, covers the period of the war years; it was previously published annually, from July 1, 1932 to June 30, 1941 under the title *American Delegations to International Conferences, Congresses, and Expositions and American Representation on International Institutions and Commissions, With Relevant Data*. In this comprehensive survey of conferences are lists of American delegates, résumés of the work accomplished, places of meeting, and an appendix which lists all international organizations of which the United States is a member or in the work of which it participates.

These manuals are for sale by the Superintendent of Documents, United States Government Printing Office, Washington 25, D. C. *International Agencies in Which the United States Participates* may be purchased for 65 cents and *Participation of the United States Government in International Conferences, July 1, 1941-June 30, 1945*, for 45 cents.

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Contributors

L. Ingemann Highby, author of the article on world distribution of grain exports, is a Commodity Specialist in the International Resources Division, Office of International Trade Policy, Department of State.

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REGULATION AND REDUCTION OF ARMAMENTS: ACTION OF THE GENERAL ASSEMBLY

by Marion William Boggs

The General Assembly may consider the general principles of cooperation in the maintenance of international peace and security, including the principles governing disarmament and the regulation of armaments, and may make recommendations with regard to such principles to the Members or to the Security Council or to both.

—CHARTER OF THE UNITED NATIONS,
Article 11, paragraph 1.

One of the major accomplishments of the recent session of the General Assembly of the United Nations in New York was the unanimous adoption on December 14, 1946 of a resolution on "Principles Governing the General Regulation and Reduction of Armaments".¹ Unanimity on this measure was attained in the closing days of the session only after protracted debate and negotiation had succeeded in reconciling divergent views. On December 14 the General Assembly also adopted a supplementary resolution relating to information on the armed forces of the members of the United Nations.²

The Assembly Resolutions

The general resolution recognizes "the necessity of an early general regulation and reduction of armaments and armed forces" and proposes in broad outline an initial course of action designed to achieve this result. With respect to the overall problem, the resolution recommends that the Security Council promptly consider, according to priority, the practical means necessary to effect armament regulation and reduction and to insure the observance of such regulation and reduction by all participants. Plans formulated by the Security Council are to be considered at a special session of the General Assembly and draft treaties approved by the latter are to be submitted to mem-

bers of the United Nations for ratification. The resolution then deals with three special phases of the problem. In the field of atomic energy it urges early completion of the work of the Atomic Energy Commission and recommends Security Council consideration of conventions which would create an international system of control and inspection, prohibit atomic and other weapons of mass destruction, and control atomic energy to insure its use for peaceful purposes only. Paragraph 8 of the resolution provides:

"Nothing herein contained shall alter or limit the resolution of the General Assembly passed on 24 January 1946, creating the Atomic Energy Commission."

On the general question of enforcement the resolution provides that the international system of control and inspection, applicable to conventional armaments as well as to atomic energy, will operate through special organs to be established within

¹ The text appeared in the BULLETIN of Dec. 22, 1946, p. 1137. See also *Journal of the United Nations*, no. 75, supp. A-64, add. 1, p. 827. See also The United States and the United Nations Report Series 7, *Report by the President to the Congress for the Year 1946*, Department of State publication 2735.

² *Journal of the United Nations*, as cited, p. 829. See also BULLETIN of Jan. 12, 1947, p. 50.

the framework of the Security Council, and recommends that the Security Council promptly consider practical and effective measures to furnish protection against possible violation of agreements relating to armaments and atomic energy. The resolution then notes a close connection between the problem of security and that of disarmament and accordingly recommends: acceleration of the process of placing armed forces at the disposal of the Security Council; progressive and balanced withdrawal of armed forces of members stationed in ex-enemy territories; immediate withdrawal of armed forces stationed in the territory of members without their freely and publicly expressed consent; and a reduction of national armed forces corresponding to these withdrawals, as well as "a general progressive and balanced reduction of national armed forces." Finally, members of the United Nations are called upon to give every possible assistance to the Security Council and the Atomic Energy Commission in order to promote peace and security with the least diversion for armaments of the world's human and economic resources.

The supplementary resolution, which was adopted by a vote of 36 to 6 with 4 abstentions, calls upon the Security Council to determine as soon as possible the information which the members of the United Nations should be asked to furnish in order to give effect to the resolution on the general regulation and reduction of armaments.

Background

Although these resolutions represent the first

³ *Resolutions Adopted by the General Assembly during the First Part of its First Session* (doc. A/64), p. 9; *The United States and the United Nations: Report of the United States Delegation to the First Part of the First Session of the General Assembly of the United Nations* (Department of State publication 2484), p. 33. The resolution of the Assembly had its origins in the Agreed Declaration by the President of the United States and the Prime Ministers of Canada and the United Kingdom on Nov. 15, 1945 (BULLETIN of Nov. 18, 1945, p. 781) and in the agreement reached at the Moscow Conference of Foreign Ministers, Dec. 16-26, 1945 (BULLETIN of Dec. 30, 1945, p. 1031, and of Feb. 10, 1946, p. 198). See *The International Control of Atomic Energy: Growth of a Policy* (Department of State publication 2702), chap. IV and app. 6, 8, and 9.

⁴ Mr. Baruch made it clear that he was referring to the "veto" only as it related to a system of atomic-energy control and was not proposing a modification of the rule of the unanimity of the permanent members of the Security Council.

effort of the United Nations to deal comprehensively with the problem of armaments in its entirety, they were preceded during 1946 by action on special phases of the problem, including the question of atomic energy, plans for placing armed forces at the disposal of the Security Council, and a proposal for a survey of troops in foreign territories.

Atomic Energy. The first part of the first session of the General Assembly, meeting in London at the beginning of 1946, recognized the fact that the problems raised by the discovery of atomic energy formed a critical and urgent aspect of the armaments problem. In a resolution adopted without dissenting votes on January 24, the Assembly established the United Nations Commission on Atomic Energy, composed of representatives of members of the Security Council, and Canada when the latter was not a member of the Security Council. The Commission was directed to make specific proposals to the Security Council relating to exchange of scientific information for peaceful purposes, the control of atomic energy to insure its use only for peaceful purposes, the elimination of atomic and other weapons of mass destruction, and effective safeguards to protect against violations.³

When the Atomic Energy Commission met for the first time on June 14 the United States representative, Mr. Baruch, presented a comprehensive plan designed to attain the objectives laid down by the Assembly. This plan proposed creation of an International Atomic Development Authority with wide powers to control all phases of the development and use of atomic energy, including the right to own or manage all atomic activities potentially dangerous to world security and the right to supervise, foster, inspect, and license all other atomic activity. The atomic bomb as a weapon would be renounced. Rapid and effective penalties would be provided as safeguards against violations specifically defined in advance in the treaties setting up the system. Application of these penalties would not be subject to a rule of unanimity; "there must be no veto to protect those who violate their solemn agreements not to develop or use atomic energy for destructive purposes."⁴ Once these measures of control had been effectively established, manufacture of atomic bombs would cease, existing bombs would be disposed of, and the

Atomic Development Authority would be given full information on the production of atomic energy.⁵ These basic proposals were subsequently elaborated in a series of memoranda and statements issued by the United States representative.⁶

At the second meeting of the Commission the Soviet representative, Mr. Gromyko, without referring to the American plan, submitted an alternative proposal in the form of a draft convention which provided for prohibition of the production and use of weapons based on atomic energy, destruction of existing stocks of such weapons, a declaration that any violation of the agreement was a crime against humanity, and punishment against violations through domestic legislation of the contracting parties. The Soviet representative also proposed that the Commission establish two committees, one to draft recommendations on exchange of scientific information and the other to prepare recommendations on outlawry of atomic weapons and measures of control and sanctions. Mr. Gromyko indicated that he would resist any attempt to "undermine" the principle of the unanimity of the permanent members of the Security Council.⁷ Subsequently Mr. Gromyko stated that the American plan was unacceptable in whole or in part.⁸

The fundamental issue thus raised—whether the first step should be the establishment of a comprehensive control system with definite safeguards or whether an exchange of information together with a simple prohibition of atomic weapons should precede the final establishment of a control plan—had not been resolved when the second part of the first session of the General Assembly met. The Atomic Energy Commission had continued extensive work through its committees⁹ but had not yet submitted a general report, although the unanimously approved report of its Scientific and Technical Committee issued on October 2 gave renewed hope of an agreement by concluding, "we do not find any basis in the available scientific facts for supposing that effective control is not technologically feasible."¹⁰

Provision of Security Forces. Article 43 of the Charter provides that all members of the United Nations undertake to make armed forces available to the Security Council on its call and in accordance with special agreements to be concluded on

the initiative of the Council. In February 1946 the Security Council directed the Military Staff Committee to examine this article from the military point of view and submit appropriate recommendations. The Military Staff Committee decided that as a first step it would formulate the basic principles which should govern the organization of the United Nations forces, and would also study the possibility of preparing a standard form of agreement. When the General Assembly met, subcommittees charged with considering these problems had not yet reported and no agreements for the provision of armed forces had been concluded.¹¹

Survey of Troops in Foreign Territories. At the meeting of the Security Council on August 29 the representative of the Union of Soviet Socialist Republics proposed that the Council request members of the United Nations to report within two weeks on the number and location of their armed forces stationed abroad in other than enemy territories, on the location of air or naval bases outside their frontiers in other than enemy territories, and on the size of the garrisons at such bases. The Soviet representative maintained that the presence of troops in foreign territories provoked anxieties among the peoples of such territories and led to uneasiness in world public opinion.¹² Other representatives on the Security Council held that no justification could be found in the Charter for Security Council consideration of a situation described simply as one producing anxiety. Several representatives, including the United States representative, pointed out that the armed forces to which the Soviet

⁵ BULLETIN of June 23, 1946, p. 1057; *The International Control of Atomic Energy: Growth of a Policy*, p. 138.

⁶ BULLETIN of July 21, 1946, p. 96; *The International Control of Atomic Energy: Growth of a Policy*, pp. 148, 152, 160, 166.

⁷ *Ibid.*, p. 209.

⁸ *Ibid.*, p. 220.

⁹ *Ibid.*, pp. 55-85.

¹⁰ *Ibid.*, p. 278. For scientific information transmitted to the United Nations Atomic Energy Commission, June 14, 1946-Oct. 14, 1946, see *The United States and the United Nations Report Series 5*, Department of State publication 2661.

¹¹ *Report of the Security Council to the General Assembly* (doc. A/93), p. 124.

¹² *Security Council Official Records*, first year, second series, no. 5, pp. 121-2.

Union referred were stationed abroad with the free consent of the countries in which they were present. After considerable discussion the Security Council decided on September 24 by a vote of 7 to 2 with 2 abstentions not to place the Soviet proposal on the agenda.¹³ Subsequently at the request of the Union of Soviet Socialist Republics the matter was included on the agenda of the Assembly in the following terms: "presence of troops of the United Nations on non-enemy territories."¹⁴

It was against the background of these developments that the second part of the first session of the General Assembly proceeded to examine the problems of armaments.

The Initial Discussions

When the second part of the first session of the General Assembly convened on October 23, the question of armament regulation and reduction was not on its agenda. A number of the opening speeches, however, emphasized the significance of various aspects of the question. In his address of welcome to the General Assembly, President Truman noted that "two of the greatest obligations undertaken by the United Nations toward the removal of the fear of war remain to be fulfilled," namely, agreements to control atomic energy and to remove the fear of other weapons of mass destruction. He continued: "The future safety of the United Nations, and of every member nation, depends upon the outcome."

"On behalf of the United States I can say we are not discouraged. We shall continue to seek agreement by every possible means."

"At the same time we shall also press for preparation of agreements in order that the Security Council may have at its disposal peace forces adequate to prevent acts of aggression."¹⁵

¹³ U.N. doc. S/P.V./71 and 72.

¹⁴ U.N. doc. A/118.

¹⁵ *Journal of the United Nations*, no. 13, supp. A-A/P.V./34, p. 11; *BULLETIN* of Nov. 3, 1946, p. 811.

¹⁶ *Journal of the United Nations*, no. 16, supp. A-A/P.V./37, p. 74; no. 17, supp. A-A/P.V./39, pp. 104, 111; no. 17, supp. A-A/P.V./40, p. 138.

¹⁷ *Journal of the United Nations*, no. 17, supp. A-A/P.V./39, p. 97; no. 18, supp. A-A/P.V./41, p. 158.

¹⁸ *Ibid.*, supp. A-A/P.V./42, pp. 167-8, 175-80.

The importance of arriving at a general agreement with respect to atomic energy was also stressed by the representatives of the United Kingdom, China, New Zealand, and France.¹⁶ The representatives of Canada and of Egypt spoke in more general terms; each urged that serious consideration be given to the reduction of national armaments.¹⁷

The question of "a general reduction of armaments" was first placed on the agenda on the initiative of the delegation of the Union of Soviet Socialist Republics. On October 29, in the course of a speech forming part of the general debate, Mr. Molotov devoted considerable attention to armaments and armed forces. He criticized the rejection by the Security Council of the Soviet proposal for survey of troops in foreign territories, other than ex-enemy territories, and urged that the Assembly take action on the matter. In discussing the problem of atomic energy he brought out the issue of prohibition versus control which had been raised in the Atomic Energy Commission. The American plan for the control of atomic energy, he stated, was unacceptable, since it was designed to foster "monopolistic possession" of the atomic bomb, was based on the double "illusion" of the bomb's decisive effect and the possibility of keeping its secrets, and was contrary to the Charter in abandoning the principle of Great Power unanimity in the Security Council. Mr. Molotov called for the adoption of the Soviet proposal for an international convention which would prohibit "the manufacture and use of atomic weapons".¹⁸

Mr. Molotov concluded his speech by declaring that the time had come "to carry out a general restriction of armaments." Accordingly he submitted the following proposal:

"1. In the interests of consolidating international peace and security and in conformity with the purposes and principles of the United Nations Organization, the General Assembly considers a general reduction of armaments necessary.

"2. The implementation of the decision on the reduction of armaments should include as a primary objective the banning of the manufacture and use of atomic energy for military purposes.

"3. The General Assembly recommends to the Security Council to provide for the practical

achievement of the objectives set forth in the above mentioned paragraphs 1 and 2.

"4. The General Assembly calls upon the governments of all States to render every possible assistance to the Security Council in this responsible undertaking, the accomplishment of which conforms to the establishment of stable peace and international security and also serves the interests of the peoples by lightening their heavy economic burden caused by excessive expenditures for armaments which do not correspond to peaceful post-war conditions."¹⁹

The general discussion of armament regulation begun by the Soviet representative was continued by Warren R. Austin, chairman of the delegation of the United States, in his speech of October 30. Declaring that "the whole world knows where the United States stands and has always stood," Mr. Austin pointed out that the United States had been in the forefront of disarmament efforts for twenty years before the war, had taken the initiative "for outlawing the atomic bomb" and had since the end of hostilities "progressively and rapidly reduced its military establishment". The United States would not repeat the mistake which it had made after the first World War of disarming unilaterally, but it was "prepared to cooperate fully with all other Members of the United Nations in disarmament". Consequently, Mr. Austin suggested that the Soviet proposal be placed on the agenda for full consideration. "The initiative of the Soviet Union in this matter is appropriate, because of its mighty armies; just as the initiative of the United States was appropriate in proposing measures to prevent the manufacture and use of atomic weapons".²⁰

Mr. Austin emphasized certain principles applicable to the general regulation of armaments. In the first place the United States advocated "effective safeguards by way of inspection and other means to protect complying States against the hazards of violation and evasion". Moreover, armaments could not be reduced merely by discussion; positive acts to promote peaceful conditions were required. A system for regulating armaments could not be planned except in relation to progress in negotiating, under article 43 of the Charter, agreements for placing at the disposal of the Security Council armed forces adequate to prevent aggression. Mr. Austin hoped that rapid progress

in this field would now be possible since the Union of Soviet Socialist Republics had in September submitted a statement of its views.

As regards the proposed survey of troops, it was to be hoped that the Soviet Union was at that time prepared to report on armed forces in enemy as well as in other foreign territories. The United States, having nothing to hide, urged prompt execution of this policy, and indeed believed that the proposed inquiry should include all mobilized armed forces, whether at home or abroad. Finally Mr. Austin indicated that the United States continued to support its proposals for an international authority to control atomic energy and pointed out that these proposals "do not attack the general requirement for unanimity of the permanent members of the Security Council".²¹

Committee Procedure

The proposal made by Mr. Molotov was placed on the agenda of the Assembly and referred to the First Committee (Political and Security Questions), which began its discussion of the matter on November 28.²²

The Soviet delegation immediately revised its original proposal by the addition of two provisions, one dealing with the creation of commissions of control and the other with the supplying of information on armaments and armed forces.²³ The First Committee also received amendments to the Soviet proposal submitted by Canada, Australia, and France. The Canadian and Australian amendments emphasized the control of atomic energy and the provision of effective safeguards, including establishment of a permanent control commission.²⁴ The French amendment stressed the connection between security and disarmament and provided for withdrawal of armed forces stationed in foreign territory, as well as a demobilization of national forces.²⁵ An Egyptian proposal added

¹⁹ *Ibid.*, p. 181.

²⁰ *Ibid.*, no. 20, supp. A-A/P.V./44, p. 232. See also BULLETIN of Nov. 24, 1946, p. 934.

²¹ *Journal of the United Nations*, pp. 232-4, 239.

²² *Ibid.*, supp. A-A/P.V./46, pp. 265, 274; U.N. doc. A/Bur/42; BULLETIN of Oct. 20, 1946, p. 719.

²³ U. N. doc. A/C.1/87 and A/C.1/87, add. 1, corr. 1.

²⁴ U. N. doc. A/C.1/81; A/C.1/81, rev. 1; A/C.1/82.

²⁵ U. N. doc. A/C.1/94.

the idea of immediate withdrawal of forces stationed abroad without the free consent of the countries concerned.²⁶ An Argentine proposal laid emphasis on placing forces at the disposal of the Security Council (a provision which also appeared in the Canadian, Australian, and French drafts) and on furnishing armament information.²⁷

On November 30 the United States submitted a general proposal which emphasized Security Council consideration of practical and effective measures for armament regulation by means of international treaties, establishment of an early and effective system of atomic energy control, and the provision of safeguards through inspection and other means to protect against violations.²⁸ After several days of general discussion in the First Committee, Mr. Molotov stated on December 4 that the Union of Soviet Socialist Republics was prepared to accept the United States proposal as the basis for further discussion.²⁹ Thereafter the Soviet delegation ceased to press for adoption of its own draft resolution, but offered instead a series of amendments to the United States proposal.³⁰

On December 4 the First Committee then appointed a subcommittee, known as Subcommittee 3, for the purpose of studying the various proposals and attempting to draft a unanimously

acceptable resolution.³¹ With the United States proposal as a basis and in the light of the ideas contained in the other proposals, including revisions and amendments submitted by the United Kingdom, Canada, and India, Subcommittee 3 in four meetings was able to arrive at a general understanding as to the main principles to be incorporated in a final resolution.³² A drafting group was then appointed to put these understandings into an acceptable written form.³³ This group agreed on a draft resolution which after some modification was accepted by Subcommittee 3 and reported to the First Committee. The latter made a few further changes and then adopted the draft resolution unanimously and by acclamation.³⁴ The resolution in this form was recommended to the plenary session of the General Assembly and was adopted by the latter without alteration.

Resolving the Issues

The initial debate in the plenary sessions, the proposals presented by the various delegations, and the discussions in the First Committee and its subcommittees developed five principal issues which had to be resolved before general agreement could be reached. These issues concerned (1) procedure for arriving at the future agreements for the general regulation and reduction of armaments; (2) measures for dealing with the problem of atomic energy; (3) the nature of a system of control, inspections, and safeguards; (4) the relation of collective security to armament regulation, particularly as concerns the status of armed forces; and (5) the supplying of information on existing armaments and armed forces.

The Question of Procedure. The United States proposal provided that plans for the regulation and reduction of armaments when formulated by the Security Council would be incorporated in treaties, which under Article 26 of the Charter would then require ratification by the participating states in accordance with their respective constitutional processes.³⁵ The Soviet representative on the other hand, believing that "an international treaty would involve delay," suggested that disarmament measures should be put into effect through a simple decision of the Security Council, acting for all the members of the United Nations.³⁶ However, after various delegates had

²⁶ U. N. doc. A/C.1/125.

²⁷ U. N. doc. A/C.1/75.

²⁸ U. N. doc. A/C.1/90 and A/C.1/90, corr. 1. See also BULLETIN of Dec. 15, 1946, p. 1084.

²⁹ *Journal of the United Nations*, no. 51, supp. no. 1-A/C.1/114, p. 258.

³⁰ U. N. doc. A/C.1/113.

³¹ *Journal of the United Nations*, no. 51, supp. no. 1-A/C.1/114, p. 264. Subcommittee 3 was composed of 20 members, i. e. representatives of all members of the Security Council for 1946 and 1947, together with all members of the Atomic Energy Commission, plus Argentina and the Ukrainian Soviet Socialist Republic.

³² U. N. doc. A/267; A/C.1/Sub. 3/1-4.

³³ U. N. doc. A/267. The drafting group consisted of representatives of Belgium, Canada, China, Czechoslovakia, Egypt, France, Union of Soviet Socialist Republics, United Kingdom, and United States. Senator Tom Connally represented the United States.

³⁴ U. N. doc. A/C.1/Sub. 3/W.1; A/267; *Journal of the United Nations*, no. 62, supp. no. 1-A/C.1/129, p. 321.

³⁵ U. N. doc. A/C.1/90. See also BULLETIN of Dec. 15, 1946, p. 1084.

³⁶ *Journal of the United Nations*, no. 51, supp. no. 1-A/C.1/114, p. 259.

joined the United States representative in Subcommittee 3 in pointing out that under Article 26 of the Charter plans formulated by the Security Council were to be "submitted to the members of the United Nations," the Soviet representative did not insist on this point and language providing for ratification was included in the resolution.

The Canadian delegate then outlined four stages of action: (1) recommendation by the General Assembly of general principles, (2) formulation of plans by the Security Council, (3) consideration of these plans by all members of the United Nations, (4) ratification and entry into force of treaties. Canada suggested that the third stage should take place in a special session of the General Assembly, which would in effect perform the role of a general disarmament conference.³⁷ This suggestion was adopted and embodied in the final resolution.

Atomic Energy. In this field the debate turned to the question of whether outlawry of atomic energy for military purposes should come first or should go into effect simultaneously with a comprehensive scheme for controlling all aspects of atomic energy. The United States proposals were based on the General Assembly resolution of January 24, 1946 and on the principle that the early establishment of international control over atomic energy was essential to general armament regulation and reduction; accordingly it was recommended that the Security Council "give first consideration to" the report which the Atomic Energy Commission was about to make and which was expected to lay stress on comprehensive control.³⁸ The original Union of Soviet Socialist Republics proposal also recognized the importance of atomic energy, but emphasized "as a primary object" prohibition of the production and use of atomic energy for military purposes. The Soviet proposal provided for a special commission to supervise enforcement of this prohibition, but did not mention the Atomic Energy Commission; the principle of general control over atomic energy, as distinct from its immediate prohibition as a means of making war, would thus be relegated to a secondary place.³⁹

In the committee discussions, the United States, the United Kingdom, France, Australia, China, and Canada insisted that there must be no interference with the work of the Atomic Energy Com-

mission and indicated that in view of the interrelation between atomic energy activities directed toward peaceful purposes and those directed toward military ends, the outlawry of atomic energy for destructive purposes must be not the first or the only step but part of an integral system of safeguarded control.⁴⁰ The Canadian and Australian proposals specifically provided that all measures for dealing with atomic energy should be included in a single treaty.⁴¹

The United Kingdom delegate also stressed the inclusion of other weapons adaptable to mass destruction in the ban on atomic weapons; and other representatives similarly expressed anxiety lest agreement on prohibition of atomic energy for military purposes might be followed by differences of opinion preventing the adoption of other equally important disarmament measures.⁴²

In accepting the United States proposal as a basis of discussion the Soviet representative put forward amendments whereby the Security Council would "expedite consideration" of the report of the Atomic Energy Commission and would at the same time expedite consideration of a draft convention to outlaw atomic energy for war purposes.⁴³

The final resolution represents a careful adjustment of these various views. It calls for expediting consideration both of the report of the Atomic Energy Commission and of a general sys-

³⁷ U.N. doc. A/C.1/Sub. 3/3.

³⁸ U.N. doc. A/C.1/90. The First Report of the Atomic Energy Commission to the Security Council, Dec. 30, 1946, recommended a strong and comprehensive system of international control and inspection (BULLETIN of Jan. 19, 1947, p. 105). The general findings and recommendations of this report were based on proposals presented to the Commission by Mr. Baruch on Dec. 5 (BULLETIN of Dec. 15, 1946, p. 1088).

³⁹ U.N. doc. A/C.1/87.

⁴⁰ *Journal of the United Nations*, no. 46, supp. no. 1-A/C.1/80, pp. 176-7; no. 47, supp. no. 1-A/C.1/85, pp. 182, 186-7, 189, 193-4; no. 48, supp. no. 1-A/C.1/92, pp. 198-206; no. 49, supp. no. 1-A/C.1/101, pp. 220-2; no. 51, supp. no. 1-A/C.1/114, pp. 260-4.

⁴¹ U.N. doc. A/C.1/81, A/C.1/81, rev. 1, and A/C.1/82.

⁴² *Journal of the United Nations*, no. 51, supp. no. 1-A/C.1/114, p. 262; no. 49, supp. no. 1-A/C.1/101, pp. 220-1.

⁴³ U.N. doc. A/C.1/113.

tem of control to *include* both the prohibition of atomic and other weapons of mass destruction as well as the control of atomic energy for peaceful purposes. It also contains the very important provision that nothing in the resolution "shall alter or limit" the resolution of January, 1946, creating the Atomic Energy Commission.

International Control and Inspection. The United States draft laid down the principle that practical and effective safeguards against violations were essential to a system of armament regulation and reduction and accordingly called upon the Security Council to devise such safeguards in connection with the control of both atomic energy and conventional armaments.⁴⁴ A number of other proposals were designed to elaborate this provision by specifying that the Security Council should include in its plans special organs of international inspection or permanent commissions of control.⁴⁵

The Soviet proposals relating to inspection and control, however, immediately raised the question of the veto. The Union of Soviet Socialist Republics draft provided for the creation "within the framework of the Security Council" of two commissions, one to deal with the prohibition of atomic energy for military purposes, the other to control decisions regarding armaments in general.⁴⁶ The words "within the framework of the Security Council" were interpreted to mean that the rule of unanimity among the permanent members of the Security Council would also apply in the proceedings of the control commissions and certain of the remarks of the Soviet representative in the First Committee appeared to corroborate this interpretation.⁴⁷ A number of delegates were concerned lest inspection and the application of controls would be prevented by a veto in the inspection organs. Thus the United Kingdom representative, declaring that "the United Kingdom could be

no party to any scheme which gave any power the 'veto' over the way in which the control and inspection could be carried out," submitted amendments specifically eliminating the veto in the control bodies.⁴⁸ Senator Connally likewise objected to provisions which would result in "getting rid of the atomic bomb" but leaving inspection and control operations subject to the "atomic bomb of the veto."⁴⁹ Similar views were expressed by the representatives of Australia, China, and Canada.⁵⁰

In a clarifying statement, however, Mr. Molotov indicated that while the decisions of the Security Council on a plan for regulating armaments would require unanimity among the permanent members, the control organs, when established, would work in accordance with rules laid down by the Security Council. "The rule of unanimity in the Security Council had nothing to do with the work of the control commissions. Therefore, it was incorrect to say that a permanent member with its 'veto' could prevent the implementation of a control system. Any attempt to prevent an inspection would constitute a violation of the Security Council's decision."⁵¹

In the light of these assurances it was considered unnecessary to refer to the veto in the final resolution, which provides for special organs of inspection and control "within the framework of the Security Council" but deriving their powers from the treaties creating them. It was also considered desirable to leave further details as to the number and type of such organs for discussion by the Security Council, rather than to include such specifications in a resolution on general principles.

Collective Security and Armed Forces. The French proposal, noting a close connection between security and disarmament, recommended that the process of placing armed forces at the disposal of the Security Council should be speeded up and that governments should undertake a progressive and balanced withdrawal of their forces stationed in non-national territory, as well as a demobilization of national forces. The French representative in the First Committee declared that "disarmament is impossible without security organized along parallel lines." Security meant "control of both information furnished and engagements taken," including broad measures of inspection; it also meant simultaneous and progressive disarmament and the organization of

⁴⁴ U.N. doc. A/C.1/90.

⁴⁵ U.N. doc. A/C.1/81, A/C.1/82, A/C.1/94.

⁴⁶ U.N. doc. A/C.1/87, A/C.1/113.

⁴⁷ *Journal of the United Nations*, no. 47, supp. no. 1-A/C.1/85, p. 192.

⁴⁸ *Ibid.*, no. 48, supp. no. 1-A/C.1/92, p. 205; U. N. doc. A/C.1/Sub. 3/2.

⁴⁹ *Journal of the United Nations*, no. 49, supp. no. 1-A/C.1/101, pp. 220-1.

⁵⁰ *Ibid.*, no. 47, supp. no. 1-A/C.1/85, p. 182; no. 48, supp. no. 1-A/C.1/92, pp. 200, 201.

⁵¹ *Ibid.*, no. 51, supp. no. 1-A/C.1/114, pp. 259-60.

forces at the disposal of the Security Council. It involved consideration of war potential as well as armaments, required the relief of international tensions and the reduction of armed forces in friendly states, and demanded "moral disarmament measures" such as promoting confidence and avoiding extravagant propaganda and demonstrations of force.⁵²

A number of other delegates also called attention to the relation of security to armament regulation, particularly as regards the provision of security forces under Article 43 of the Charter. Mr. Austin, for example, emphasized this idea during the discussion in plenary session, and the Canadian, Argentine, and Egyptian delegations in the First Committee submitted specific proposals recommending that forces be made available to the Security Council.⁵³ Inclusion in the final resolution of a provision on this subject was, therefore, agreed to without serious objection, although some doubts were expressed as to its appropriateness.

The paragraphs of the final resolution relating to withdrawals and reductions of armed forces were also accepted without prolonged debate. The chief issue which arose in this connection concerned the Egyptian proposal for withdrawal without delay of forces stationed in the territory of members without their free consent.⁵⁴ This provision was felt by some representatives to be irrelevant, but was not opposed after it had been amended, on the suggestion of the United States, to refer to forces stationed in countries without their consent "freely and publicly expressed" in treaties consistent with the Charter.

Information. The supplementary resolution on information stemmed in part from the discussion of armament regulation and reduction and in part from the question of "presence of forces of members of the United Nations on non-enemy territories," placed on the agenda of the General Assembly at the request of the Union of Soviet Socialist Republics.⁵⁵

Although this agenda item referred only to "non-enemy territories," the Soviet proposal on the matter, when submitted to the First Committee, provided that members of the United Nations should submit to the Security Council information on the number and location of their armed forces, as well as on the location of their air and naval bases, situated outside their frontiers in both ex-

enemy and other countries.⁵⁶ In making this proposal Mr. Molotov indicated that the Soviet proposition previously rejected by the Security Council had been broadened as a result of the opening general debate, during which Senator Austin had suggested that information be furnished on forces, wherever located, whether at home or abroad in ex-enemy or other areas.⁵⁷ The Soviet representative maintained that the presence of troops in foreign territories in a position to interfere in the internal affairs of such territories was causing uneasiness and that information regarding such troops should be collected in order to assess their "political importance" as well as in connection with making forces available to the Security Council under Article 43 of the Charter.⁵⁸

The United States representative categorically rejected any implication that the presence of American forces abroad endangered international security or justified uneasiness and declared that such forces stationed in friendly territory were there with the consent of the governments concerned. The United States and the United Kingdom insisted that since the Soviet proposal was designed to assist in implementing Article 43, the survey should cover all military forces in active service wherever located, at home or abroad. Several delegates pointed out that the question had now become so broad in scope that it was closely linked to disarmament and the United Kingdom representative proposed that general disarmament and the troop survey should be discussed as two aspects of a single question. The United Kingdom then submitted amendments calling for data on "military type formations" as well as on troops and making all information submitted subject to verification on the spot by a committee appointed by the Security Council.⁵⁹

⁵² U.N. doc. A/C.1/94; *Journal of the United Nations*, no. 48, supp. no. 1-A/C.1/92, pp. 197-8.

⁵³ U.N. doc. A/C.1/81, A/C.1/75, A/C.1/125.

⁵⁴ U.N. doc. A/C.1/125.

⁵⁵ U.N. doc. A/103. See also *BULLETIN* of Oct. 20, 1946, p. 718.

⁵⁶ U.N. doc. A/C.1/62.

⁵⁷ *Journal of the United Nations*, no. 38, supp. no. 1-A/C.1/65, p. 112; no. 20, supp. A-A/P.V./44, p. 233.

⁵⁸ *Ibid.*, no. 38, supp. no. 1-A/C.1/65, pp. 111-13; no. 39, supp. no. 1-A/C.1/68, p. 121.

⁵⁹ *Ibid.*, no. 38, supp. no. 1-A/C.1/65, pp. 113-15; no. 39, supp. no. 1-A/C.1/68, pp. 120-3; no. 42, supp. no. 1, A/C.1/73, pp. 134-381.

The Soviet representative objected to considering disarmament and the troop survey question together for fear the latter would be "smothered" by the former. He stated that the Union of Soviet Socialist Republics would accept verification as applied to foreign territories, and would provide information on its armed forces stationed at home when the wider problem of armament reduction was examined; he insisted that if the troop census were broadened to include forces on home territory, "it would be necessary to discuss all types of armaments". An additional Soviet proposal was then presented calling for information on armed forces and armaments in home territory to be submitted when the Security Council considered the general reduction of armaments.⁶⁰ The United States, although favoring verification in a comprehensive system of armament control, was opposed to hasty adoption of verification measures in connection with the troop survey.⁶¹

Finally the First Committee adopted by 34 votes to 7, with 4 abstentions, a draft resolution which referred to the troop question as an aspect of armament regulation and recommended that members of the United Nations furnish information as to the number and location of their armed forces (including military type organizations) in ex-enemy and other foreign territories, the total number of uniformed personnel whether at home or abroad, and the location of air and naval bases outside national boundaries. This information was to be supplied to the Secretary-General by January 1.⁶² In the plenary sessions of December 8 and 10, however, the United Kingdom delegation again raised the issue of verification, and the Union of Soviet Socialist Republics again insisted that data on armaments should accompany information on forces in home territory. In the course of a long and at times heated debate it appeared that

an agreement in principle had been reached between the Soviet and United Kingdom delegations whereby information on armaments as well as on armed forces, both at home and abroad, would be reported and a system of verification through an international commission would be set up. The Assembly, however, decided to refer the draft resolution to Subcommittee 3 of the First Committee for revision in the light of the discussion in plenary session.⁶³

By the time it took up the troop census question on December 12, Subcommittee 3 had already adopted the general resolution on armament regulation and reduction. After discussion the Subcommittee, therefore, decided, on the proposal of Mr. Spaak, President of the Assembly, to abandon the draft resolution on the presence of troops in foreign territories, and to substitute for it a brief resolution requesting the Security Council to determine what information to seek from members in order to implement the general resolution on armaments. This action was endorsed by the First Committee by a vote of 29 to 4 with 6 abstentions, and the new resolution was reported to the plenary session which adopted it on December 13.⁶⁴

Conclusion

In an address before the General Assembly on December 13, Secretary of State Byrnes supported the resolutions on the regulation and reduction of armaments and recapitulated the approach of the United States to the problem. He declared that disarmament must start with the major weapons of mass destruction, the first task being the control of atomic energy "to insure that it will be used only for human welfare and not for deadly warfare." Disarmament must be collectively enforced and made part of a system of collective security; it must apply to all states and be generally observed by all states. It must be accompanied by effective safeguards under international control to protect against violations or evasions. These safeguards must be so clear and explicit that "there will be no question of the right of complying states, veto or no veto, to take immediate action in defense of the rule of law. No disarmament system which leaves law-abiding states weak and helpless in the face of aggression can contribute to world peace and security."⁶⁵

(Continued on page 333)

⁶⁰ *Ibid.*, no. 40, supp. no. 1-A/C.1/71, p. 130; no. 43, supp. no. 1-A/C.1/74, pp. 145-6; no. 46, supp. no. 1-A/C.1/78, p. 156.

⁶¹ *Ibid.*, no. 42, supp. no. 1-A/C.1/73, p. 141; no. 43, supp. no. 1-A/C.1/74, p. 145.

⁶² *Ibid.*, no. 46, supp. no. 1-A/C.1/80, pp. 172-3; U.N. doc. A/203.

⁶³ *Journal of the United Nations*, no. 55, supp. A-A/P.V./52, pp. 405-13; no. 56, supp. A-A/P.V./53, pp. 415-36; no. 57, supp. A-A/P.V./54, pp. 437-60.

⁶⁴ *Ibid.*, no. 62, supp. no. 1-A/C.1/129, p. 326; U.N. doc. A/269.

⁶⁵ BULLETIN of Dec. 22, 1946, p. 1138.

The Security Council

RESOLUTION ON GENERAL REGULATION AND REDUCTION OF ARMAMENTS AND ARMED FORCES¹

The Security Council, having accepted the resolution of the General Assembly of 14 December 1946 and recognizing that the general regulation and reduction of armaments and armed forces constitute a most important measure for strengthening international peace and security, and that the implementation of the resolution of the General Assembly on this subject is one of the most urgent and important tasks before the Security Council,

Resolves:

1. to work out the practical measures for giving effect to the resolutions of the General Assembly on 14 December 1946 concerning, on the one hand, the general regulations and reduction of armaments and armed forces, and the establishment of international control to bring about the reduction of armaments and armed forces and, on the other hand, information concerning the armed forces of the United Nations;

2. to consider as soon as possible the report submitted by the Atomic Energy Commission and to take suitable decisions in order to facilitate its work;

3. to set up a Commission consisting of representatives of the Members of the Security Council with instructions to prepare and to submit to the Security Council within the space of not more than three months, the proposals:

(a) for the general regulation and reduction of armaments and armed forces and

(b) for practical and effective safeguards in connection with the general regulation and reduction of armaments which the Commission may be in a position to formulate in order to ensure the implementation of the above-mentioned resolutions of the General Assembly of 14 December 1946, insofar as these resolutions relate to armaments within the new Commission's jurisdiction.

The Commission shall submit a plan of work to the Council for approval.

These matters which fall within the competence of the Atomic Energy Commission as determined by the General Assembly Resolution of 24 January 1946 and 14 December 1946 shall be excluded

from the jurisdiction of the Commission hereby established.

The title of the Commission shall be the Commission for Conventional Armaments.

The Commission shall make such proposals as it may deem advisable concerning the studies which the Military Staff Committee and possibly other organs of the United Nations might be asked to undertake.

4. to request the Military Staff Committee to submit to it, as soon as possible and as a matter of urgency, the recommendations for which it has been asked by the Security Council on 15 February 1946 in pursuance of Article 43 of the Charter, and as a first step, to submit to the Security Council not later than 30 April 1947, its recommendations with regard to the basic principles which should govern the organization of the United Nations Armed Force.

¹ Adopted by the Security Council on Feb. 13, 1947. For text of U.S. draft resolution, see BULLETIN of Feb. 16, 1947, p. 275.

The final vote was ten in favor, none against, and one abstaining, the Soviet Union. Andrei A. Gromyko, Soviet representative, had explained on February 12 that he was abstaining because of his opposition to portions of paragraph 3, although he was strongly in favor of a disarmament commission since it was the Soviet Union which had proposed such a commission.

In another vote on February 13, Mr. Gromyko also abstained on a United Kingdom amendment to paragraph 4 of the resolution, which would ask the Military Staff Committee to submit a report to the Security Council "not later than April 30, 1947". On this latter vote, Poland joined the U.S.S.R. in abstention. The remainder of the Council was in favor.

An Australian amendment saying that this report should be submitted by the Military Staff Committee as a "matter of urgency" was adopted unanimously, although Mr. Gromyko had stated that he did not regard it as necessary.

The United Kingdom amendment was interpreted by Warren R. Austin, United States Delegate, as meaning that the Military Staff Committee should submit a report which would be in the nature of a progress report, or an interim report. Sir Alexander Cadogan, sponsor of the motion, said this was a correct interpretation.

The resolution, implementing the General Assembly resolution on the reduction of armaments and information on armed forces, will be transmitted to member governments of the Council by the Secretariat. The governments will then appoint representatives on the Commission.

Sales and Transfer of Non-Demilitarized Combat Matériel

LETTER OF TRANSMITTAL FROM THE SECRETARY OF STATE

[Released to the press February 14]

Text of a report dated February 11, 1947, from the Secretary of State to Arthur H. Vandenberg, President pro tempore, United States Senate, and Joseph W. Martin, Jr., Speaker of the House of Representatives, and released by the Congress on February 13

February 11, 1947.

MY DEAR SENATOR VANDENBERG: I am transmitting herewith to the Congress a year-end report on the completed sales and approved retransfer authorizations of non-demilitarized combat matériel (other than direct lend-lease transfers which are separately reported to Congress) effected by the Department of State in its capacity as foreign surplus and lend-lease disposal agent, a responsibility given it by Executive Order No. 9630 of September 27, 1945 and later by Public Law No. 584. The report is divided into two parts. The first part (Enclosure I) lists the sales of surplus combat matériel; the second part (Enclosure II) lists lend-lease retransfers authorized under the United States-United Kingdom agreement relating to military holdings. Authorizations for sales of surplus which have not resulted in definite agreements are excluded from this report, since actual sales may never be consummated. When and if these authorizations become firm contracts they will be contained in future reports.

The listing in part one shows that non-demilitarized combat matériel has been sold to foreign governments and allied control commissions for a net return to the American taxpayer of approximately ten million dollars. This is exclusive of the separate authorizations for retransfers under lend-lease also contained in this report. Monetary returns from sales under retransfers are not available at present because of the time required to complete such transactions.

I wish to stress to the Congress that the policy of the Department of State has been to make no

sales of non-demilitarized combat matériel except to a foreign government or allied control commission and then only after each request has been meticulously studied in all its aspects. The determining factors have been that the transactions were in the interest of the Government and people of the United States and of world peace.

As an example, the Philippine Government has in the postwar period sorely needed small arms and ammunition for use by its police in the maintenance of public order. This promoted Philippine stability and was of importance to world peace and, therefore, the sales shown in the attached report of some 6,000 small arms with ammunition were approved.

You will note that the largest items involved are the sales of ammunition to France and to the United Kingdom. France was in dire need of assistance to rebuild her armed forces. Moreover, both in France and in the United Kingdom an early disposition of the United States owned ammunition was demanded by the reasons shown in the attached report.

An interim program, designed to enable various Latin American countries to purchase limited quantities of surplus United States equipment is being carried out with the approval of the President.

The following items in the "Report of Sales to Foreign Governments" (Enclosure I) are the only sales completed under this program prior to January 1, 1947.

- a) Brazil: 187 machine guns with ammunition
- b) Chile: Combat ordnance items and accessories for 1 Inf. Regt. and 1 Bn. Field Artillery. Two AKA (cargo ships attack) with guns and ammunition.
- c) El Salvador: Ammunition for lend-lease weapons .30 cal., 37 mm, 81 mm.
- d) Mexico: 1000 automatic pistols .45 cal.
- e) Venezuela: Landing Ship tanks with armaments.

In conclusion, may I state that it is my firm belief that these disposals of combat surplus to foreign governments and allied control commissions contributed to world security, as well as returning some ten millions of dollars to the Treasury of the United States and thus reducing by that

amount the waste usually resulting from the disposal of actual weapons of war.

Sincerely yours,

GEORGE C. MARSHALL
Secretary of State

ENCLOSURE I

Report of Sales to Foreign Governments of Surplus Non-demilitarized Combat Matériel

Country	Description of matériel	Procurement cost	Sales price
AUSTRALIA	30 .45 cal. submachine guns . . . . .	. . . . .	. . . . .
	2 .50 cal. AA with spare barrel and spare parts . . . . .	. . . . .	. . . . .
	2 .50 cal. AA with mounts . . . . .	. . . . .	. . . . .
	125 magazines for Thompson submachine guns	\$3,708.00	(^a)
BRAZIL	187 ea. submachine guns cal. .45 . . . . .	. . . . .	. . . . .
	52,000 rounds cal. .45 ammun.	10,271.60	\$1,025.00
	Small quantity ammun.	3,600.00	(^a)
CANADA	205,00 rounds 35 mm ammunition . . . . .	. . . . .	. . . . .
	351,000 rounds 76 mm ammunition	4,167,787.50	208,887.50
	2,000 ea. bomb bodies (empty)	8,714.00	435.70
	300 medium tanks & 90 light tanks	16,940,130.00	512,790.00
CHILE	Combat ordnance items & accessories for 1 Inf. Regt. & 1 Bn F. A. (105 mm How.) plus 1 yr's supply training ammunition. Items include 1831 .30 cal. M1 rifles; 1264 carbines; 1210 bayonets; 18 57 mm AT guns; 362 pistols; 182 machine guns of various caliber; 18 105 mm howitzers.	563,649.46	54,607.52
	2 AKA's (cargo ship attack), including:		
	4 3"/.50 cal. guns; 24 20 mm AA mach. guns; 24 gun sights; 600 rounds 3"/.50 cal. shells; 51,840 rounds 20 mm AA shells.	9,784,060.00	496,628.60
EL SALVADOR	Ammunition for lend-lease weapons .30 cal., 37 mm, 81 mm.	10,771.40	1,017.80
FRANCE	All surplus ammunition in France and not to exceed 50,000 tons surplus in Germany if declared prior to 31 Dec. '46. 2,500 tons surplus ammunition in Belgium. This ammunition was sold to France with the provision that France would assume full responsibility for disposition and on condition that it would not be transferred or resold to any other government. This sale covered all the ammunition remaining in France which constituted a liability to American Forces required to guard and maintain it, and would be a potential expensive undertaking of destruction in the event it was not otherwise disposed of.	Unknown	7,500,000.00
ITALY	Demolition charges, adapters, fuses, etc.; bangalore torpedoes, demolition blocks for use as civilian commodity.	670,279.00	460,274.00
	150 combat aircraft, P-38 and/or P-39	14,366,069.00	160,550.00
MEXICO	1,000 pistols automatic cal. .45	38,000.00	36,000.00
NORWAY	Miscellaneous Ordnance, Engineer, Quartermaster, Signal and Medical supplies which accompanied U. S. Army "Task Force A" into Norway.	. . . . .	(^b)
PANAMA	500 rounds .30 cal. ammunition to Intendente General Policía Nacional, Republic of Panama.	20.25	20.25

See footnotes at end of table.

Country	Description of matériel	Procurement cost	Sales price
PHILIPPINES	5,000 submachine guns, 2,000,000 rounds .45 cal. ammunition, accessories, spare parts. Small arms for Manila Branch, National City Bank of New York, for bank security.	348,315.89 792.37	220,104.48 877.96
SWEDEN	90 P-51 aircraft.	4,680,000.00	315,000.00
UNITED KINGDOM	118,000 tons ammunition. This ammunition was considered a liability to American Forces required to guard and maintain it, and at one time plans were made to dispose of it by dumping it in the sea. It was ultimately disposed of in the over-all U.K. bulk deal involving surplus property sales and lend-lease settlement agreement. The terms of transfer provided that the British Government would not resell or transfer it to any other government, and that it would be acquired on a where-is, as-is basis, regardless of type. This ammunition included airplane bombs, small arms, and other Ground Force ammunition. This transaction relieved the United States of care and handling, and any responsibility in connection with disposal or demilitarization.	70,000,000.00	(c)
VENEZUELA	72,000 rounds cal. .30 ammunition LST # 907 w/armament, including: 2 5''/ .38 cal. guns; 12 20 mm. AA guns; 9 Colt automatics; 21 .30 cal. rifles; 10 carbines.	4,780.80 1,479,588.00	480.00 133,262.92

* Part of bulk sale.

^b Included in \$1,100,000 bulk sale.

^c No specific sales price as this sale was a clean-up of all surplus ammunition remaining in England. Sold as part of bulk sale. U. K. assumed all responsibility for disposition.

ENCLOSURE II

Requests for Consent To Retransfer Approved Under Paragraph 6, U. S.-U. K. Agreement Relating to Military Holdings, of March 27, 1946 (March 27-December 31, 1946)

The Agreement Relating to Military Holding, Agreement No. IV of the series of March 27, 1946 between the United States and the United Kingdom regarding settlement for lend-lease, reciprocal aid, surplus war property, and claims provides in paragraph 6 that retransfers of lend-lease equipment held by the United Kingdom Armed Forces to third governments for military use shall be made only with the prior authority of the United States Government. The specific language of paragraph 6 is as follows:

"Transfer by the recipient Government of lend-lease or reciprocal aid articles may be made to third governments (including Dominion Governments) for military use, whether by sale, loan or otherwise, only with the prior authority of the supplying Government and on terms to be agreed between the supplying Government and the third government in question, it being understood that such transfer will in all cases be made for purposes compatible with the principles of international security and welfare set forth in the Charter of the United Nations. Contingent forces serving under United Kingdom command may,

subject to the prior authority of the Government of the United States, withdraw lend-lease articles from United Kingdom military holdings upon their assuming a status independent of the United Kingdom Armed Forces. The terms of settlement for such articles shall be agreed between the Government of the United States and the government making the withdrawal."

The following is a list of retransfers of lend-lease articles to third governments for which the United States Government gave consent under this provision during the period from March 27 through December 31, 1946. Retransfer of these articles has been approved in some cases subject to recapture by the United States and in some cases as sales with final transfer of title. A policy of sale, on terms agreed between the United States Government and the retransferee government, has been followed generally since September of last year. Subsequent lend-lease fiscal reports will cover financial returns from these transactions. Cases in which proposed sales have been approved are indicated with an asterisk (*) below. In other cases the articles covered remain subject to recapture by the United States.

Retransferee Government	Item	Quantity
AUSTRALIA	Airborne loran equipment:	
	Indicating unit	40
	Receiver	40
	Chrysler Crown engines	2
	Radio sets, naval air.	50
	O. A. S. Practice Echo Repeater Targets.	2
	Diesel engines	11
	Hall Scott engines.	19
	Palmer engines, 4 cylinder	1
	Fire pumps.	5
	Rockets	*20,000
BELGIUM	37 mm A. P. C	*9,900
	37 mm H. E	*9,000
	.30 belted	*120,000
	.50 belted	*5,000
	75 mm Gun A. P.	*240
	75 mm Gun H. E.	*600
CANADA	Radio sets	*7
	Packard Merlin engines	*640
	Hamilton propellers	*640
	Glenn Martin turrets	*107
CHINA	TBS radio set (loan).	1
CZECHOSLOVAKIA	Propellers and spare carburetors.	(*) (a)
	Spare guns and barrels.	(*) (b)
EGYPT	Thompson .45 sub-machine guns	*280
	Milliammeters	*30
FRANCE	Glow plugs.	6
	Air intake heater element	1
	Aircraft engines, Lycoming.	*2
	Miscellaneous naval salvage equipment	*
GREECE	Angledozers	*11
	Motor graders	*4
	Outboard engines	*16
	37 mm ammo. H. E	*27,000
	37 mm ammo. A. P	*29,000
	37 mm ammo. canister.	*2,000
	Armored recovery vehicles M32.	*4
	Radar set (parts of) (loan).	1
	Pistols, Smith and Wesson	*21,500
	Miscellaneous naval spare parts and mine sweeping equipment	*
IRAQ	Thompson .45 sub-machine guns	*1,000
ITALY	Armored cars, Staghound.	*280
	Miscellaneous naval salvage eqpt.	*
NETHERLANDS	Fuses, mk. 33.	100
	TBS W/T set.	1
	TCS 12 1230 v. DC w/T set	1
	Generators.	21
	Transmitter receiver.	4
	Small machine guns.	159
	Grenade launchers.	266
	Light tanks, Stuart	52
	Radio sets (loan)	12
	Mark XIV sights	*10
	Marine salvage air compressors	*3
	Electric welder	*1

* Approved sales.

* Part of equipment of one squadron of British Mosquitoes sold by United Kingdom to Czechoslovakia.

* Part of equipment of three squadrons of British Spitfires sold by United Kingdom to Czechoslovakia. Proceeds of lend-lease part of both sales to accrue to the United States.

Retransferee Government	Item	Quantity
NETHERLANDS—Continued	Pneumatic drilling machine	*1
	Telephone sets	*163
	Telegraph printer sets	*2
	Radio sets	*119
	Voltmeters	*9
	Charging sets	*111
	Trucks, ¼ ton 4 x 4	*343
	½ ton & ¾ ton, 4 x 4, 4 x 2	*500
	6 x 4 wrecker	*3
	12 ton 6 x 4	*8
	20 ton 6 x 4	*3
	Trailers, ¼ ton	*300
	other	*11
	Circles, aiming, M1	*8
	Tractors	*43
	Road rollers	*12
	Road scrapers	*8
	Excavators and rooters	*10
	Dump trucks	*4
	Harrows	*2
	Ditching machines	*2
	Half-track personnel carriers	*26
	Radar sets	6
	Packard engines	40
	Pistols	*7
	Browning machine guns S. M. 2	*24
	Barrels for " "	*110
	Parts for " "	
	(Miscellaneous)	(*)(c)
	P & W engines	*12
	Half-track personnel carriers (loan)	15
	Type TCS 1212/24v 2/5 set	1
	Hall Scott engines (for motor launches)	*4
	Baltimore bomber spares	*11
	Sherman tank maintenance spares, cases	90
	Radio set spares, cases	50
	Radar eqpt., cases	3
	Radio tubes approx.	*20,000
	Cranes	*5
	Tanks, Sherman	*97
	Tank, ARV	*1
	GMC 3-inch M10 (SP)	*24
	Tank ammunition (rounds)	*167,500
	Trailer, ¼ ton	*2
	Tractors, Gun 5.5 inch	*9
	Tractors, Gun 3.7 inch	*2
	Trucks, 3 ton	*7
	5 ton	*2
	Wreckers, 6 x 6	*6
	Tractors, Caterpillar	*20
	Tractors, trailer hauling	*34
	Trailers	*23
	Compressors	*45
	Bulldozers	*12
	Angledozer	*22
NEW ZEALAND		
NORWAY		
POLAND		
TURKEY		
UNION OF SOUTH AFRICA (Largely held by South African Forces in Italy) ^d		

*Approved sales.

^eDetails not yet available.

^d Authorization for retransfer of the equipment listed is subject to its not having been withdrawn from South African possession.

Retransferee Government	Item	Quantity
UNION OF SOUTH AFRICA— <i>Continued</i>	Truck, 6 x 6 Tech Mob Wksp	*1
	Excavators	*3
	Graders	*22
	Scrapers	*7
	Rooters	*3
	Rippers	*3
	Welding plants	*23
	Drilling machine	*1
	Milling machine	*1
	Generator set	*6
	Pipe screwing machine	*1
	Press straightening machine	*1
	Bandsaw	*1
	Rifles	*60
OCCUPIED AREAS		
<i>Austria</i> (To Allied Control Council)	Pistols, cal. .38	12, 000
<i>Germany</i> (To Control Commission, British Zone)	Pistols, Colt automatic, cal. .45 ,	12, 000
	Ammo. for Pistols, Colt Automatic, cal. .45	2, 064, 000

GENERAL

British Dominions, China, France, Greece, Netherlands, Norway:

Blanket authorization for minor ship propulsion and maintenance spares.*

British Dominions, France:

Blanket authorization for retransfer of aircraft engines, propellers, automatic pilots, gun turrets, and power units of three or more kilowatts which are installed in British aircraft which may be transferred to the Dominions and France.*

Blanket authorization for retransfer of automatic pilots and power units of three or more kilowatts which are installed in British aircraft which may be transferred to the following countries :*

Afghanistan	Italy
Belgium	Netherlands
Denmark	Norway
Egypt	Portugal
Greece	Sweden
Iran	Switzerland
Iraq	Turkey

* Approved sales.

Enumeration of Arms, Ammunition, and Implements of War¹

[Released to the press by the White House February 15]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS section 12 (i) of the joint resolution of Congress approved November 4, 1939, provides in part as follows (54 Stat. 11; 22 U.S.C. 452 (i)) :

"The President is hereby authorized to proclaim upon recommendation of the National Munitions Control Board from time to time a list of articles which shall be considered arms, ammunition, and implements of war for the purposes of this section"

NOW, THEREFORE, I, HARRY S. TRUMAN, President of the United States of America, acting under

and by virtue of the authority conferred upon me by the said joint resolution of Congress, and pursuant to the recommendation of the National Munitions Control Board, and in the interest of the foreign-affairs functions of the United States, hereby declare and proclaim that the articles listed below shall, on and after February 20, 1947, be considered arms, ammunition, and implements of war for the purposes of section 12 of the said joint resolution of Congress:

CATEGORY I

- (1) Rifles and carbines using ammunition in excess of caliber .22, and barrels for those weapons;
- (2) Machine guns, automatic or auto-loading

¹ 12 *Federal Register* 1127.

rifles, and machine pistols using ammunition in excess of caliber .22, and barrels for those weapons; machine-gun mounts;

(3) Guns, howitzers, and mortars of all calibers, their mountings and barrels;

(4) Ammunition in excess of caliber .22 for the arms enumerated under (1), (2), and (3) above, and cartridge cases or bullets for such ammunition; shells and projectiles, filled or unfilled, for the arms enumerated under (3) above;

(5) Grenades, bombs, torpedoes, mines and depth charges, filled or unfilled, and apparatus for their use or discharge;

(6) Tanks, military armored vehicles, and armored trains; armor plate and turrets for such vehicles.

CATEGORY II

Vessels of war of all kinds, including aircraft carriers and submarines, and armor plate and turrets for such vessels.

CATEGORY III

(1) Aircraft (piloted), both heavier and lighter than air, unassembled, assembled or dismantled: (a) classified from the standpoint of military security; or (b) especially designed for warlike purposes; or (c) having a weight empty greater than 35,000 pounds;

(2) Non-piloted aircraft and guided missiles, unassembled, assembled or dismantled;

(3) Any part, component, accessory, or device, of or pertaining to an aircraft either heavier or lighter than air, whether shipped alone or in an unassembled or assembled aircraft: (a) which is classified from the standpoint of military security; or (b) which (1) is not in general use in commercial aircraft and (2) is either especially designed for warlike purposes or adaptable substantially to increase the efficiency or performance of aircraft used for warlike purposes.

CATEGORY IV

(1) Revolvers and automatic pistols using ammunition in excess of caliber .22;

(2) Ammunition in excess of caliber .22 for the arms enumerated under (1) above, and cartridge cases or bullets for such ammunition.

CATEGORY V

(1) Livens projectors, flame throwers, and fire-barrage projectors;

- (2) a. Mustard gas (dichlorethyl sulphide);
b. Lewisite (chlorvinylchlorarsine and dichlorovinylchlorarsine);
c. Methylchlorarsine;
d. Diphenylchlorarsine;
e. Diphenylcyanarsine;
f. Diphenylaminechlorarsine;
g. Phenylchlorarsine;
h. Ethylchlorarsine;
i. Phenylbromarsine;
j. Ethylbromarsine;
k. Phosgene;
l. Monochloromethylchlorformate;
m. Trichloromethylchlorformate (diphosgene);
n. Dichlorodimethyl ether;
o. Dibromodimethyl ether;
p. Cyanogen chloride;
q. Ethylbromacetate;
r. Ethyliodoacetate;
s. Brombenzylcyanide;
t. Bromacetone;
u. Brommethylethyl ketone.

CATEGORY VI

- (1) Propellant powders;
(2) High explosives as follows:
a. Nitrocellulose having a nitrogen content of more than 12.20%;
b. Trinitrotoluene;
c. Trinitroxyline;
d. Tetryl (trinitrophenol methyl nitramine or "tetranitro methylaniline");
e. Picric acid;
f. Ammonium picrate;
g. Trinitroanisol;
h. Trinitronaphthalene;
i. Tetranitronaphthalene;
j. Hexanitrodiphenylamine;
k. Pentaerythritetetraniolate (penthrate or pentrite);
l. Trimethylenetrinitramine (hexogen or T₄);
m. Potassium nitrate powders (black salt-peter powder);
n. Sodium nitrate powders (black soda powder);
o. Amatol (mixture of ammonium nitrate and trinitrotoluene);

(Continued on page 367)

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Calendar of Meetings ¹

In Session as of February 16, 1947		
Far Eastern Commission	Washington	1946 Feb. 26
United Nations:		
Security Council	Lake Success	Mar. 25
Military Staff Committee	Lake Success	Mar. 25
Commission on Atomic Energy	Lake Success	June 14
Telecommunications Advisory Committee	Lake Success	Nov. 10
Economic and Social Council (ECOSOC):		1947
Drafting Committee of International Trade Organization, Preparatory Committee	Lake Success	Jan. 20-Feb. 28
Population Commission	Lake Success	Feb. 5-19
Transport and Communications Commission	Lake Success	Feb. 5-18
Commission on the Status of Women	Lake Success	Feb. 9-23 ²
Subcommission on Economic Reconstruction of Devastated Areas, Working Group for Asia and the Far East	Lake Success	Feb. 14-21 ²
German External Property Negotiations (Safehaven):		1946
With Portugal	Lisbon	Sept. 3
With Spain	Madrid	Nov. 12
Inter-Allied Trade Board for Japan	Washington	Oct. 24
PICAO:		1947
Interim Council	Montreal	Jan. 7
Air Transport Committee: Sixth Session	Montreal	Jan. 13
Accident Investigation Division	Montreal	Feb. 4
South Pacific Regional Air Navigation Meeting	Melbourne	Feb. 4
Council of Foreign Ministers: Meeting of Deputies	London	Jan. 14-Feb. 24
Inter-Allied Reparation Agency (IARA): Meetings on Conflicting Custodial Claims	Brussels	Jan. 29
Conference of the International Union for Protection of Industrial Property	Neuchâtel	Feb. 5
International Court of Justice	The Hague	Feb. 10
International Refugee Organization: Preparatory Commission	Geneva	Feb. 11-22 ²
Scheduled for February-April 1947		
National Livestock Exposition and Fair	Habana	Feb. 18-24
PICAO:		
Airworthiness Division	Montreal	Feb. 20
Airline Operating Practices Division	Montreal	Feb. 25
European-Mediterranean Special Air Traffic Control Conference	Paris	Apr. 15
International Emergency Childrens Fund: Executive Board and Special Committee Meeting	Lake Success	Feb. 24

¹ Prepared in the Division of International Conferences, Department of State.

² Tentative.

Calendar of Meetings—Continued

United Nations:		
Economic and Social Council (ECOSOC):		1947
Non-Governmental Organizations Committee	Lake Success	Feb. 25-27
Standing Committee on Negotiations with Specialized Agencies	Lake Success	Feb. 28
ECOSOC, Fourth Session of	Lake Success	Feb. 28
Meeting of Experts on Passport and Frontier Formalities	Geneva	Mar. 17
Trusteeship Council	Lake Success	Mar. 26
ILO:		
101st Session of the Governing Body	Geneva	Mar. 5-8
Committee on Social Policy in Dependent Territories.	London	Mar. 17-22
Committee of Experts on the Application of Conventions.	Geneva	Mar. 24-29
Preparatory Meeting of Statistical Experts.	Montreal	March
Industrial Committee on Coal Mining.	Geneva	Apr. 23
International Wheat Conference	London	Mar. 6 ²
European Central Inland Transport Organization (ECITO): Seventh Session of the Council	Paris	Mar. 6 ²
Council of Foreign Ministers	Moscow	Mar. 10
World Health Organization (WHO): Third Session of Interim Com- mission	Geneva	Mar. 31
Interparliamentary Union: 36th Plenary Session	Cairo	Apr. 7.
International Conference on Trade and Employment: Second Meet- ing of Preparatory Commission	Geneva	Apr. 8
International Red Cross Committee.	Geneva	Apr. 14-26
Fifth International Hydrographic Conference	Monaco	Apr. 22
International Meeting of Marine Radio Aids to Navigation.	New York and New London	Apr. 28
International Emergency Food Council (IEFC)	Washington	April or May ²

² Tentative.

Activities and Developments »

MEETING ON MARINE RADIO AIDS TO NAVIGATION

[Released to the press February 11]

The Department of State announced on February 11 that invitations had been extended to 60 nations to attend an International Meeting on Marine Radio Aids to Navigation (IMMRAN), to be held in New York City and New London, Connecticut, beginning April 28, 1947, and continuing for two weeks.

The meeting will consist of a series of lectures and technical discussions on the developments in the field of radio aids to marine navigation, and the demonstration of the latest types of equip-

ment, including loran and radar. Actual tests will be carried out at sea on board vessels made available by the United States Maritime Commission, the United States Coast Guard, and the United States Coast and Geodetic Survey.

The aim of the meeting is to inform the world delegates of the United States policy in this field and to demonstrate the progress which the United States has made in the development of marine radio aids to navigation. Accordingly, it is expected that the meeting will inform the delegates regarding the adoption of new radio aids to navigation by this Government and the availability, type, and quality of marine radio-aid equipments

produced by United States manufacturers. In addition, should it appear that fruitful conclusions and resolutions leading to world standardization of marine radio aids can be evolved during the progress of the meeting, such conclusions and resolutions will, of course, be recorded for future reference and utilization when the nations of the world meet to consider standardization of equipment in this field.

The United States will be represented at the meeting by representatives of industry, education, and government. Dr. W. L. Everitt, University of Illinois, will serve as chairman of the meeting.

SECOND PAN AMERICAN CONFERENCE ON LEPROSY¹

The Second Pan American Conference on Leprosy was held at Rio de Janeiro from October 19 to October 27, 1946. Delegates from the following 18 countries attended: Argentina, Bolivia, Brazil, British Guiana, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, French Guiana, Mexico, Nicaragua, Panama, Paraguay, Peru, Trinidad, the United States, and Venezuela. Canada sent an observer to the Conference.

The United States Delegation included: Mr. Perry Burgess, President of the American Leprosy Foundation, Chairman of the Delegation; Dr. Eugene P. Campbell, Department of State; Dr. G. H. Faget and Dr. F. A. Johansen, United States Public Health Service Leprosarium at Carville, Louisiana; Dr. Howard T. Karsner, Western Reserve University; Dr. José N. Rodriguez, Manila, Philippine Republic, Officer of the American Leprosy Foundation; and Dr. Malcolm H. Soule, University of Michigan.

Discussion centered around three main topics: epidemiology, treatment, and classification of leprosy. In order that the papers presented before the entire Conference might be correlated and conclusions reached on the three subjects, committees were elected by the Conference, one to consider each of the topics.

Committee on Epidemiology. In the papers and conclusions of this committee, the matter of transmission from leprous parents to children was carefully discussed, and the importance of the preventoria in this problem as it concerns Brazil was

emphasized. It was reported that leprosy in Brazil is found principally among those who have recently migrated to Brazil and among their immediate dependents rather than in the more permanently established population; however, no satisfactory explanation was offered regarding this situation.

Committee on Treatment. When discussion on the treatment of leprosy began there was considerable difference of opinion among those who favored the use of chaulmoogra and its derivatives and those who found no value in this form of treatment. It was ultimately decided that there should be a re-evaluation of the use of chaulmoogra. The Committee on Treatment presented reports on the use of sulfone drugs, particularly promine, diazone, and promizole. It was admitted that the experience with promizole had not been sufficiently great to justify any conclusions.

Committee on Classification. At the Fourth International Leprosy Conference, which was held at Cairo in 1938, a classification of leprosy had been adopted for use throughout the world. A minority report made at that time by South American specialists favored a classification proposed by them. At the Second Pan American Conference on Leprosy the entire matter of classification was analyzed by the Committee on Classification, and the delegates to the Conference agreed to vote for

¹ Prepared by the Division of International Conferences, Department of State.

the adoption of the South American classification. During the discussion it was proposed that the classification be made official, which would carry with it the implication that it should of necessity be adopted by all the American countries. It was

finally decided that the classification be recommended, with the understanding that it should be studied further pending the meeting of the International Conference on Leprosy which is scheduled to be held in 1948.

MEETING OF THE PERMANENT COMMITTEE OF THE INTERNATIONAL OFFICE OF PUBLIC HEALTH¹

A meeting of the Permanent Committee of the International Office of Public Health (Office International d'Hygiène publique) was held from October 23 to October 31, 1946 at Paris. Of the 59 members of the Office the following 35 were represented at the October meeting: the British African Colonies, Belgian Congo, Bulgaria, Canada, Chile, Denmark, Egypt, France, French Equatorial Africa, French Guiana and French West Indies, French Indochina, India, Iran, Italy, Luxembourg, Mexico, Morocco, the Netherlands, Netherlands West Indies, New Caledonia and French Establishments, New Zealand, Poland, Portugal, Rumania, Sudan, Saudi Arabia, Spain, Sweden, Switzerland, Syria, Tunisia, Turkey, the Union of South Africa, the United Kingdom, and the United States.

Representing the Government of the United States at this meeting were: Dr. James A. Doull, Chief of the Office of International Health Relations, the United States Public Health Service, as delegate; and Howard B. Calderwood, Consultant, United States Public Health Service, as alternate delegate.

The International Office of Public Health was established by the Rome agreement of December 9, 1907 to receive and disseminate epidemiological information provided by the governments who were parties to the agreement. Under the terms of the Rome agreement, the Permanent Committee, consisting of one representative of each member of the Office, is required to meet at least once a year. Before the second World War the Committee met regularly twice each year, in April and October, the latter being considered the official meeting required by the agreement. No meetings, however, were held from the fall of 1939 to the spring of 1946 because of the war. The Commit-

tee met in Paris this year from April 23 to May 3 and again from October 23 to October 31.

The agenda for the October session comprised the following items: (1) the examination of the situation resulting from the signing on July 22, 1946 at New York of the various international agreements concerning the World Health Organization (WHO), and particularly the examination of a protocol relating to the International Office of Public Health; (2) the application of the conventions of 1926 and 1938; (3) the application of the convention of 1933; remission of a notice giving sanitary instructions to travelers arriving from a foreign country by airplane—new regulations; (4) diseases covered by conventions; (5) diseases not covered by conventions; (6) other infectious diseases; (7) administrative and financial questions; and (8) various other pertinent questions.

The main work of the meeting was the consideration of steps which were taken in the dissolution of the Office in accordance with the terms of the protocol signed on July 22, 1946 at the International Health Conference at New York. By terms of this protocol 60 signatories agreed that the functions of the International Office of Public Health should be performed by the new World Health Organization. Because of the pressing organizational and administrative problems confronting the Permanent Committee, less time than usual could be devoted to reports on health conditions in various countries and on professional papers on infectious diseases, which had constituted the principal business of previous meetings of the Committee.

However, 26 scientific reports, notes, and papers were presented. Three technical problems were considered of such importance that they were referred to the Interim Commission of the World Health Organization. These were: (1) amendments proposed by the representative of Egypt to

¹ Prepared by the Division of International Conferences, Department of State.

the articles of the 1938 sanitary convention concerning pilgrimages; (2) the continuation of studies of the problem of encephalitis following vaccination against smallpox; and (3) studies on the value of the immune reaction in smallpox vaccination.

A Finance Commission was set up to conduct a general inquiry into the financial position of the Office, and two additional commissions were appointed to make a detailed study of pensions and pension rights of the staff of the Office and an inventory of the Office's property. The reports of these two commissions were considered by the Finance Commission and embodied in its report to the plenary session. The Finance Commission was renamed the Commission on Transfer and Finance and authorized to make the necessary arrangements, following the adjournment of the meeting, with the Interim Commission of the World Health Organization to effect the transfer of the functions of the Office to the Commission and to take any other action to facilitate the transfer of assets and liabilities of the Office to the

WHO in anticipation of the dissolution of the Office.¹

Several representatives proposed that the Committee be convened to dissolve the Office after the protocol of July 22, 1946 was in force. It was agreed that such a meeting would not be necessary and that, when the protocol had come into force for all parties to the Rome agreement of 1907, the president and the Commission of Transfer and Finance could then take the necessary steps to dissolve the Office. Nevertheless, the Committee decided that, while another meeting of the Permanent Committee might not be necessary, the president should be authorized, in accordance with the *règlement*, to call a meeting if he should consider it necessary. It was decided that, if during the coming year the protocol should be accepted by all but a few of the parties to the Rome agreement, the question of the continuation of the Office might then be taken up with the remaining members with a view to obtaining their consent to its actual dissolution.

Regulation and Reduction of Armaments—Continued from page 320

In adopting the resolutions on the regulation and reduction of armaments the General Assembly was acting under Article 11 of the Charter which empowers the Assembly to make recommendations with regard to "the principles governing disarmament and the regulation of armaments". The implementation of these recommendations through the formulation of concrete plans for establishing a system to regulate armaments became the task of the Security Council, which is given this responsibility under Article 26 of the Charter. On February 13, after several weeks of discussion relating to implementation of the Assembly resolution, the Security Council adopted a resolution establishing a Commission for Conventional Armaments which is to prepare, within three months, proposals for the general regulation and reduction of armaments and for practical and effective safeguards. Matters falling within the competence of the Atomic Energy Commission were excluded from the competence of the new commission. The resolution also requested the Military Staff Committee to report by April 30 on principles governing the organization of forces

to be placed at the disposal of the Security Council and provided that the Council would consider the report of the Atomic Energy Commission as soon as possible. Pursuant to the latter provision the Security Council began discussion of the report of the Atomic Energy Commission on the same day.⁶⁶

The first steps toward eventual regulation and reduction of armaments have thus been taken, but formidable problems, both technical and political, remain to be solved. Many months of hard work and difficult negotiation may be anticipated before the United Nations attains the Charter goal of "the establishment and maintenance of international peace and security with the least diversion for armaments of the world's human and economic resources."

¹ A meeting of the Commission on Transfer and Finance was held at Paris, France, Feb. 11-14, 1947.

⁶⁶ The resolution of the Security Council was based in part on the United States proposal of Feb. 4 (BULLETIN of Feb. 16, 1947, p. 275). An article on the discussion in the Security Council leading to the adoption of the resolution of Feb. 13 will appear in a later issue of the BULLETIN.

The World Food Crisis

RECENT ACTIONS OF THE INTERNATIONAL EMERGENCY FOOD COUNCIL

Article by Morse Salisbury

The world in early 1947 is undergoing a period of food crisis scarcely less desperate than that of a year ago. Before the new harvests of Northern-Hemisphere countries are gathered, scores of millions will undergo severe privation in spite of international cooperation for maximum food exports from the supplying countries and equitable sharing among the importing nations. The crisis will not be ended with this year's harvests but will recur in some degree of severity in the spring of 1948.

These facts, documented in the report of the Secretary General, Dr. D. A. FitzGerald of the United States, to the International Emergency Food Council, and emphasized in the comments of delegates from 30 nations, confronted the third meeting of the International Emergency Food Council held at Washington on January 30 and 31. After considering all possible alternatives for improving the food plight of the importing nations, the Council took three major actions:

1. It asked the exporting nations to review their position with a view to increasing export supplies of cereals, fats, oils, protein feeds, meats, and sugar. It asked the importing nations to review their requirements for these same commodities with a view to adjusting them so that agreement can be reached on the distribution of available supplies.

2. The Council instructed the commodity committees, whose function in the past has been to reach agreement upon allocation recommendations sharing the short supplies, to turn now, in addition, to the problems of increasing production. This action endorsed the observation of the Secretary General that "the Council should do whatever it can do to close from both sides the wide gap between supplies and requirements of essential foods. . . . We are making valiant efforts to obtain as equitable distribution as possible of woefully inadequate supplies of basic foods. But surely the attack on the emergency must include also positive action to increase supplies."

3. Looking forward to the problem which will exist after the Council's present mandate terminates on December 31, 1947, the Council directed that a committee of seven members be established to determine what commodities will remain in short supply until the 1948 harvests, and to suggest ways and means of integrating the short-term activities of the Council and its commodity committees with the long-term activities of the Food and Agriculture Organization in the field of food, agriculture, and nutrition. The committee is to report to the Council at its fourth meeting in late April or early May.

As the Council opened its sessions, the Secretary General concisely summed up the world food position in these terms:

"Since the last meeting of the Council in October, the continued seriousness of the world food situation has become more and more apparent. It is, in fact, worse than was anticipated three months ago. While, in the aggregate, the world is eating a little better this winter than last, the improvement is small and there are a number of individual countries in which the situation is worse. Moreover, it must constantly be remembered that in a large majority of the countries the basis of comparison—namely, levels of consumption last winter—was extremely low.

"In Southern, Western, and Central Europe except the United Kingdom, Switzerland and Portugal, and in North Africa, a measurable improvement may be noted. In the Lower Danube Basin and the adjacent parts of the Union of Soviet Socialist Republics food conditions range from no better to much worse. In India and the Far East, the very worst of the crisis is passing although the patient is by no means out of danger. In the Americas and the Antipodes, food conditions are as good as or better than a year ago or pre-war.

"There are available during the 1946-47 crop year export supplies of rice of less than 3 million tons to meet a world demand for rice imports which is at least as great as the pre-war volume of 8 million tons. This piles an additional burden on the supply of cereals other than rice. These supplies, in any case, would fall short of the demand from the areas normally importing cereals other than rice. With the need for replacement of rice added, the Committee on Cereals now is trying to suggest ways of spreading a supply of 24 million tons among claimants whose stated requirements for food cereals for consumption, stock-rebuilding and improvement in rations add up to 38 million tons. When we last met the problem was difficult enough—to satisfy requirements of 34 million tons out of export supplies of 25.5 million tons. In the meantime, the situation has worsened because of declines in crop out-turns and increases in requirements.

"The fats and oils position for the world as a whole is that only some 3.3 million tons of export supplies are in sight to meet the requirements of a world which . . . pre-war . . . moved more than twice that amount in international trade—and which has more mouths to feed than pre-war. While the meat production in European areas today is one third less than pre-war, largest production in the exporting countries of the Americas and of Australia and New Zealand is partly consumed within those countries. So long as the requirements for grains for human use is so much greater than the supply, livestock recovery in Europe will continue to be retarded.

"Lack of meats and the high cost thereof has greatly increased the demand for pulses—the food of vegetable origin which best substitutes for animal proteins. World output is slightly greater than pre-war; but still the supply of pulses falls further short of requirements than in the case of any other foods.

"World sugar production is still less than pre-war though greater than last year, and strong pressures for more sugar on the table are causing the importing nations to submit requirements which have grown faster than export supplies. The result is a very wide gap between requirements and supplies which the Committee on Sugar must close by negotiation and compro-

mise if there is to be agreement on all allocation recommendation.

"To sum up, the competition for imports of some foods is even keener than a year ago. For this reason, the work of our committees is becoming more difficult. Full agreement on preliminary allocations for 1947 has not been reached for fats and oils, meat and sugar. The distribution pattern for cereals is still the subject of almost daily discussions."

Dr. FitzGerald's portrayal of the stringent world food situation in statistical terms was amplified and highlighted by the delegates of importing nations who briefly reported the straitened diets to which their people are reduced in the second winter of peace. Eugene Demont, the Council member for France, gave details of a food situation worse than at any time during the war. All basic commodities are rationed in France, he said. The bread ration now is 300 grams a day, fats and oils 500 grams a month, meat 500-750 grams a month, and sugar 500 grams a month. Adverse weather—heavy frosts in December and January—has struck a severe blow at French efforts to improve their own production. The frosts winter-killed large acreages of grain, and the French must now turn to exporting nations for wheat to replace that used for reseeding, or else for the seed wheat itself.

Manuel Bramao of Portugal reported that on February 1 the wheat stocks of his nation would be down to 5 days' supply—the most serious food situation in Portugal's history—and pleaded for emergency cargoes to avoid complete breakdown of distribution and resulting suffering in the cities.

W. Goertz of Austria reported his people living on a normal ration of 1,200 calories a day—below the nutritional safety level—but planning ahead for greater production in 1947 provided implements, seed, and fertilizer are made available.

Artturi Lehtinen of Finland stated that his people were on a somewhat higher caloric level—1,750 a day for light workers; 2,000-2,250 for heavy workers—a ration smaller than during the war, and with stocks of bread grains lower than during the war.

From the other side of the Eastern Hemisphere came equally distressing reports.

Chen Chih-Mai of China repeated the oft-told story of prolonged wartime devastation of food production and inland transport which now seg-

ments China into areas whose people survive or perish on the basis of their annual crop production. He pointed out that the lack of supplies was so extreme that rationing was not attempted in China, and pleaded for help in stepping up local production as well as for continued aid from the exporting nations to go to those parts of China which can be reached with imported food.

Dr. V. K. R. V. Rao of India gave details of his country's colossal effort in food management. For the first time, he said, the Indian Governments had used compulsory collection and procurement of foods from the farms in nearly all the provinces and had called for imports from parts of the world which had seldom before sent food to India. Thus the subcontinent's teeming millions came through the crisis of 1946. But he painted a bleak picture of the 1947 situation with foods remaining under strict rationing, distribution and price control, with the stocks of grain now reduced to less than 4 weeks' supply; with the ration at 1,200 calories per day for adults and 600 for children; with industrial troubles brewing because of the inadequate diets, and political troubles multiplied because the Indian people do not understand why there should be continued scarcity of food.

Without exception the spokesmen for the importing nations lavished praise upon the efforts that had been made by the United States, Canada, Australia, and New Zealand to step up production and send more exports to meet the emergency. They paid tribute to the aid that hard-pressed Great Britain gave in the way of financial support.

Henry Hardman, the delegate of the United Kingdom, gave in dismal detail the rationing regime through which the harassed housewife must thread her way in order to obtain her family's food and remarked: "It is true, that the public health statistics show a decline in the death rate in the United Kingdom; but one Member of the House of Lords in a recent debate remarked that, with respect to the diet of the people, the health statistics simply proved to him that the present diet of His Majesty's subjects is not lethal."

There was evidence in superabundance that food conditions in the majority of countries are critical for the next few months; that there will continue to be for a year or more shortages in a number of basic commodities, sharp competition for supplies, and general economic difficulties as a conse-

quence of war and post-war stringencies. However, it was also evident that the nations are anxious to remove all controls from trade in food as fast as possible and that this, in the words of Dr. FitzGerald, "greatly increases the difficulties of international cooperation". Continuing, he pointed out at the first session of the Council meeting that—

"... as the war recedes into the past, the self-interest of individuals and countries tends to assume the ascendant. Furthermore, numerous problems of foreign exchange limit the ability of many countries to agree to what otherwise would be acceptable allocation recommendations.

"Finally there is the natural and intense interest of each country to rehabilitate itself as rapidly as possible and regain pre-war markets. In so doing, the tendency of each country is to capitalize on every advantage which it may possess. Short-run self-restraint in the interests of general good gives way to the pressing needs of the moment even though such self-restraint would redound to the long-run advantage of each country. These future gains sometimes seem unimportant and theoretical in the face of the difficulties of here and now.

"Under these circumstances the Council can congratulate itself on the considerable progress that has been made in the development of many commodity agreements—for that is exactly what the Council's allocations are—and all that they are."

Dr. FitzGerald reported growth in the membership of the Council which stood at 30 when the session convened, with 5 nations—Austria, Egypt, Mexico, Portugal, and Turkey—sitting for the first time. Hungary was admitted during the Council session, bringing the membership to 31. The Secretary General reported close concurrence by the member nations with the recommendations of the Council. He emphasized the fact that the general policy of the commodity committees was to discontinue allocations recommendations as soon as supplies of commodities were in reasonably good balance with demand, and he listed 10 commodities and groups of commodities removed from allocation since the October meeting of the Council, whereas only one—a minor group of forage crop seeds—had been added. The three committees on vitamins, argols and tartaric acid, and tea had terminated their work and disbanded. The Dairy Products Committee and the Fruits and Vege-

tables Committee, though no longer making allocations recommendations, were continuing to hold meetings in order to serve as a forum for exchange of information.

The United States remains the most important factor in the world food situation, since it is able to provide the largest amounts of the critical foods. The position of the United States with respect to the food emergency was summed up by its delegate, Secretary of Agriculture, Clinton P. Anderson, in the following general terms:

"If the United States had not tried to produce all it could in 1946 the world position in this tragic situation undoubtedly would have been worse. We are again asking for full production in 1947 and will play our part up to the hilt in providing supplies for this critical year. By the end of April we hope to finish shipping the supplies of cereals of the 1946 crop for which we have committed ourselves. But we are not going to stop there. I have instructed our people to undertake procurement now of additional amounts of cereals for shipment in April, May, and June, for arrival in

May, June, and July. We are still trying to gear our production to the urgent needs of the world. We are offering price incentives to step up flax production. We gambled on ships, trucks, and goods in the Philippines in order to increase copra production, as reported by the representative of the Philippine Government here. We think the same might be done elsewhere. We have kept fertilizer plants in uneconomical operation in order to provide nitrogen for food production. We believe that the problems of increasing world food production should be thoroughly gone into and whatever can be done should be done."

Canada and Australia, through George Patterson and J. U. Garside, their respective delegates, likewise pledged continued effort to provide needed exports of food and reported on the strict controls imposed on consumption and shipment of foods by their nations in order to comply with the allocations recommendations of the Council.

The fourth meeting of the IEFC will be held in Washington in late April or early May.

Meeting of the Medical and Statistical Commissions of the Inter-American Committee on Social Security

Article by Wilbur J. Cohen

The first meeting of the Medical and Statistical Commissions of the Inter-American Committee on Social Security was held at Washington, D. C., from January 6 to January 11, 1947. The purpose of the meeting was to prepare a report on minimum basic morbidity statistics and statistics on the medical services provided under social-insurance systems in the member countries of the Inter-American Conference on Social Security.

The two commissions, created by the Inter-American Committee at its second meeting at Mexico City in July 1945, include representatives from 8 of the 22 governments participating in the inter-American organization. The Statistical Commission is composed of representatives from Brazil, Chile, and Canada, and the Medical Commission has representatives from Costa Rica, Ecuador, Mexico, Peru, and the United States. The Secretary General is planning to suggest expanding the

membership of the Statistical Commission and including a representative of the Inter-American Statistical Institute as a voting member.

The work of the joint commissions was based on the recognition of the importance of accurate morbidity statistics in planning measures for the prevention of sickness, the financial control of a social-security system, and the economical administration of medical care and cash-benefit services. To be of the greatest value to the participating countries, the statistics on illness rates and the medical services provided must be capable of comparison. To insure comparability the commissions attempted to devise methods to eliminate the differences that are due to methods of computation and classification and to allow for the differences in the statutory provisions for medical care and cash benefits in the various countries. The major recommendations of the commissions fell

into three broad groups: the collection of data describing the population covered by the social-insurance schemes; the standardization of morbidity statistics; and the standardization of statistics on the medical services provided. The discussions were based on reports submitted by Dr. Laura E. Bodmer of the Social Insurance Section of the International Labor Office, and Dr. Manuel de Viado, Head of the Statistics Department of the Chilean Public Assistance Board.

Collection of General Data of Social Importance From Among the Populations Covered by Social-Insurance Schemes

The data recommended for collection and publication were as follows:

- (1) Date of birth
- (2) Sex
- (3) Family responsibilities:
 - (a) with dependents, or
 - (b) without dependents
- (4) Trade or occupation
- (5) Industry

Standardization of Morbidity Statistics

A case of illness was defined as any period in the course of which the insured person or the beneficiary of the service received medical care at the expense of the service, preceded by a period in which no medical care is received, and terminated within the year under review by a cessation of medical care, whether due to recovery, death, or termination of receipt of benefit. Each such period is to be counted once only, whether one or more diseases are involved.

A case of incapacitating illness was defined as a period of incapacity for work during which cash benefit was or is granted, preceded by a period of work or of coverage without work (free-insurance period, incapacity for work without entitlement to benefit, receipt of pension, etc.), and terminating within the year under review by a return to work, recovery of working capacity with free insurance, death, or termination of receipt of benefit, whichever of these events first occurs. Such a period of incapacity is to be counted once only, whether the patient suffers from one or several diseases.

Both total cases of illness and cases of incapacitating illness are to be classified by age, sex, and disease. In classifying by disease the case shall be assigned to that disease with respect to which

the benefit was granted; if more than one disease is involved, the case shall be assigned to the one considered predominant, in accordance with medical criteria. The cases of incapacitating illness for which cash benefits were paid are to be separately recorded for specified durations: single days up to and including 7 calendar days, then weekly intervals through 26 weeks, and then for 27 weeks or more. The joint commissions decided to suggest to the Inter-American Conference the consideration of the problem of standardizing the waiting period for the payment of cash benefits.

The days of incapacitating illness will likewise be classified by duration of cases and by age, sex, and disease. The frequency rate and the severity rate of all cases of illness and incapacitating illness for which cash benefits were paid will be computed; for incapacitating illnesses, frequency and severity will be classified according to specified duration. The average duration of cases of incapacitating illness for which cash benefits were paid will be classified by age group.

Because some countries have no data on the number of persons eligible for benefits, it was agreed that wherever possible all countries would estimate their coverage by using such data as total earnings and total contributions to the social-insurance fund.

Provisional Minimum List of Diagnoses Selected for Tabulation of Causes of Disease

Considerable discussion centered on the items to be included in a minimum list of selected diagnoses to be used in tabulating the causes of illness. The advantages to be derived from using the same list in the various countries were recognized, and the commission decided to adopt a minimum list for tabulation purposes. It was agreed to recommend that at a future joint meeting of the commissions, the agenda include the study of a minimum list of occupational diseases with a view toward facilitating international comparison of statistics.

Standardization of Statistics on Medical Services

The statistics on medical services will relate to a calendar year or other period of operation of the scheme of 12 consecutive months. The persons eligible for service will be distributed by sex and by the same age groups as those used for morbidity statistics. The distribution of child dependents will be in accordance with the ages as defined by

the national social-insurance law. Countries having a classical social-security scheme will relate their statistics on medical services provided under that scheme only, while other countries will submit statistics on other medical-care service provided.

To give a better understanding of the system under which medical services are provided, the annual report will contain a description of the establishments in which medical services are given; this information will include the number of hospitals, with details on the number of beds for medicine, surgery, maternity, and children's diseases, and the number of out-patient clinics, with details on general services and specialized services. The other material needed to interpret the statistical reports, namely, a description of the general plan of medical-care services and their extension to different groups of the population, is available in current reports of the International Labor Organization.

The report will also carry information on the medical staff providing ambulatory and domiciliary services. It will give detailed data on the number of persons employed on a permanent basis and the hours worked during the year by such persons; it will cover general practitioners, surgeons, various types of specialists, dentists, nurses, social workers, and other types of personnel. The personnel will also be distributed by departments.

Information will be available on the number of persons receiving any type of medical service during the year, classified in terms of workers and dependents and by age and sex. The total number of first and subsequent services provided by the medical and dental departments, respectively, will also be known as well as the number of home visits made by the doctors, nurses, social workers, and midwives, respectively. Maternity and infancy departments will provide the following information: number of pregnant women under supervision, number of confinements attended at home, number of infants under supervision, cases of sickness of infants terminated during the year, and number of infant deaths classified according to deaths occurring during the first 24 hours, the first week, the first month, and the first year of life.

Information will also be available on prescriptions, injections, X-rays, and various types of laboratory examinations. Dental services will be

analyzed to show the number of extractions, fillings, dentures, and X-rays provided and the number of patients receiving each type of service during the year.

Hospital care provided under the social-insurance system will be analyzed with respect to the number of cases hospitalized, classified by age and sex of the patient and further classified by duration of hospital care. The hospitalized cases will also be classified according to the diagnosis and average stay, and special information will be provided on the total number of confinements included among the hospitalized cases.

Commission Membership

The regular members appointed to the Statistical Commission are: Emilio de Souza Pereira, Actuary of the Ministry of Labor, Brazil; John Thornton Marshall, Director of Vital Statistics and Chief Administrative Officer, Dominion Bureau of Statistics, Ottawa, Canada; and Mario Arteaga of Chile, who was represented at the meetings by Rolando González, Chief, Actuarial Section, General Department of Social Insurance, Chile. Dr. Selwyn D. Collins of the United States Public Health Service is an expert consultant to this commission.

The members of the Medical Commission are: Dr. Alberto Oreamuno, Consulting Surgeon, Social Security Hospital, San José, Costa Rica; Dr. Carlos Andrade Marín, former Director of the Medical Department of the Ecuadoran Social Insurance; Dr. Enrique Arreguín Vélez, Chief, Occupational Risks Department, Mexican Social Insurance Institute; Dr. Luís Angel Ugarte, Director of Public Health, Peru; and Margaret C. Klem, Chief, Medical Economics Section, Division of Health and Disability Studies, Bureau of Research and Statistics, Social Security Administration.

The member from Canada was accompanied by Neil Littleson McKellar, Chief, Unemployment Insurance Statistics, Dominion Bureau of Statistics, and Fred S. Burke, Chief, Division of Blindness Control, Department of National Health. The member from Mexico was accompanied by Raúl Mejía Chávez, Mexican Social Insurance Institute, and Jesús Rodríguez y Rodríguez, Chief of the Statistical Department of the Mexican Social Insurance Institute.

THE RECORD OF THE WEEK

Aid to Great Britain in Fuel Emergency

STATEMENT BY THE PRESIDENT

[Released to the press by the White House February 13]

This Government stands ready to do everything within its power to relieve the plight of the British people in their present fuel emergency.

Although we have received no request from England for aid, I have directed Captain Granville Conway, Coordinator of Emergency Export Programs, to determine how quickly and in what quantity coal can be landed at British ports. It would take a minimum of 15 days to ship coal from this country to England. Such shipments might very well arrive too late to help England in the present emergency.

There are, however, a number of colliers at sea in the vicinity of the British Isles carrying coal to other European countries. It may be possible to divert some of these colliers to English ports.

In view of the present emergency in England, the United States representative on the European Coal Organization which sits in London has been instructed to support a request for a reallocation of the shipments of coal now at sea, if this is the British desire. It is understood, of course, that coal diverted from other countries would be made up as rapidly as shipping schedules can be readjusted.

A remarkable job has been done in stepping up our export shipments of coal. In December 1.8 million tons were shipped; in January 2.5 million

tons; and this month we plan to ship 2.9 million tons. In March we hope to do even better, for these shipments are vital to the rehabilitation of Europe and other war-torn areas.

To meet these future schedules it is imperative that uncertainty over continuation of the authority of the Maritime Commission to operate Government-owned ships be dispelled as quickly as possible. This authority, unless extended by the Congress, will expire on March 1.

On January 21 I asked the Congress to adopt a joint resolution extending the authority to June 30. I am gratified that the House Committee on Merchant Marine and Fisheries is holding hearings on this resolution today.

I cannot emphasize too strongly the need for quick action by the House and the Senate on this legislation because without it our emergency export programs for fuel and grain will break down completely at the end of this month. Every day that action is delayed means further disruption of February schedules for shipments of coal and wheat to Europe. Because of the uncertainty now prevailing tanker shipments of fuel oil to the east-coast ports have already slowed down.

I urge the Congress to act promptly to extend the authority of the Maritime Commission to operate the ships which are so vitally needed.

MESSAGE TO THE PRESIDENT FROM PRIME MINISTER ATTLEE

[Released to the press by the White House February 14]

My colleagues and I have learned with warm appreciation of your offer to do all in your power to help in relieving our coal shortage and in particular to support measures for diverting to this country United States coal now en route to Europe.

I need not say how grateful we are for your readiness to assist in the difficult times through which we are passing. But the need for coal in Europe is no less pressing and we could not ask that cargoes should be diverted from Europe to the United Kingdom.

Views on Recent Broadening of Greek Government

STATEMENT BY THE SECRETARY OF STATE¹

I have been asked by several correspondents for the views of the Department on the recent broadening of the Greek Government, which I now understand is representative, from a party point of view, of almost 90 percent of the members of Parliament. We welcome this move as an indication that responsible Greek leaders are aware of the urgent necessity of subordinating narrow or personal interests to the greater ideal of national reconstruction.

We are all deeply concerned with the welfare of Greece and with the restoration in that country of economic and political stability, destroyed during the war by the occupation forces of the enemy, whose deliberate aim was to leave Greece economically ruined and, by aggravating internal factionalism, to paralyze the Greek body politic. Greece's long history of devotion to liberty and democratic ideals entitles her to the sympathy and respect of the world. It is to the interest of the United States and of all the United Nations that Greece be assisted to maintain her independence and territorial integrity. However, no amount of assistance can prove effective or of lasting benefit unless the Greek people themselves are prepared to work together resolutely for their own salvation.

The road to recovery is a difficult one, calling for the same unity and mutual confidence required for resistance to armed attack. No country divided against itself can hope to solve problems which are national in scope and which affect all citizens and not merely those of one particular political belief. Economic health can be restored only by a comprehensive program in which the whole Greek people participate and to which all make their appropriate contributions. Law-abiding citizens whose main desire is to be allowed to live and work in peace can offer little help to their country as long as they are intimidated by armed extremists of whatever political complexion.

This Government hopes that the recent broadening of the Greek Government is a sign that the Greek people are turning away from the past and, forgetting by-gone differences, are beginning to face the future with confidence and in substantial unity. It also hopes that this recent development

is merely a first step in the direction of the broadest political cooperation of all loyal Greek parties and that partisan differences will be submerged in a dynamic program of amnesty coupled with the disarming of illegal bands, just and rigorous tax reforms, modernization of the civil service, realistic financial controls, and the even-handed dispensation of justice.

Increased Surplus-Property Credit Granted to Hungary

[Released to the press February 15]

The United States Government is granting to the Hungarian Government a \$15,000,000 increase in the surplus-property credit previously extended to Hungary.² With this additional credit, which is to be utilized for the purchase of property about to become available in Germany, the total amount of credit authorized to Hungary for surplus property will be increased to \$30,000,000.

Since the conclusion of the armistice between the Allies and Hungary, the United States Government, mindful of the obligations assumed at Yalta toward the peoples of liberated Europe, has sought to assist the people of Hungary in the difficult task of national rehabilitation. In accordance with the provisions and spirit of the Yalta Declaration, the United States Government has repeatedly endeavored to concert with the other Yalta signatories and, in the absence of agreement on concerted action, to take appropriate steps on its part to the end that the Hungarian people, under the leadership of their freely elected government, might attain political and economic stability and thus be in a position to participate fully within the family of independent nations upon the coming into force of the treaty of peace.

The granting of this additional \$15,000,000 surplus-property credit is a further contribution by the United States to enable Hungary to obtain urgently needed supplies. As regards steps previously taken by the United States to render direct

¹ Made at his press and radio news conference in Washington on Feb. 14, 1947 and released to the press on the same date.

² BULLETIN of Oct. 6, 1946, p. 638.

positive aid to Hungary, it will be recalled that on the occasion of the visit to the United States of the Hungarian Prime Minister in June 1946 it was announced (1) that the United States would return to Hungary the Hungarian monetary gold then in the custody of United States forces; (2) that United States commanders in Germany and Austria were under instructions to restore to Hungary specific categories of identifiable displaced property removed under duress during the German occupation; and (3) that the previously granted surplus-property credit to Hungary amounting to \$10,000,000 would be examined with a view to its increase in the light of the quantities of property then available for purchase. Pursuant to these assurances given the Prime Minister,

monetary gold in the amount of \$32,000,000 was returned to Hungary in August 1946. Substantial quantities of looted property have also been returned. The surplus-property credit was increased to \$15,000,000.

The United States Government is continuing its consideration of various possible means of extending additional economic assistance to Hungary and, in this connection, has been cooperating closely with the Hungarian Legation and more recently with Jenő Koranyi, Minister Counsellor in the Ministry of Commerce, who came to Washington for this purpose. It is hoped that arrangements can be concluded at an early date under which further economic aid for Hungary will be forthcoming.

Restrictions Lifted for Pleasure Travel to Europe

[Released to the press February 10]

The travel of American citizens to Europe in 1947 as tourists has become a subject of primary interest to foreign governments, travel agencies, transportation companies, universities and cultural organizations and has been widely discussed in newspapers and magazines both in the United States and abroad. For the past year the Department has been considering further relaxation in the issue of passports for pleasure travel but up to the present time the necessary safeguards of return transportation from the Continent of Europe and the British Isles and Ireland have not been assured. A study has just been completed with the assistance of the trans-Atlantic carriers, both air and surface, the well-known travel agencies and various Government offices interested in seeing a speedy return to pre-war pleasure travel. It has been necessary to consider the many thousands of American citizens and aliens, including businessmen, who have been waiting for months for transportation to the United States, and care has been exercised not to aggravate this situation.

As a result of the study it has been decided to advise clerks of courts and passport agents that they may now accept passport applications for pleasure travel to continental Europe, including the British Isles and Ireland, provided each applicant is able to file with his passport application a statement from a reliable transportation or travel agency showing that he has fixed return transpor-

tation which cannot be taken from him by any existing system of priority for westbound travel and that he has reserved hotel or other accommodations to take care of his food and lodging while abroad. It is absolutely necessary that such a statement be filed before the application for passport may be forwarded to Washington for issue of the passport. The imposition of this requirement is considered by the heads of foreign tourist agencies, the appropriate American officials abroad and experienced transportation and travel people in this country to be essential before pleasure travel is permitted. The number of persons who will be able to take advantage of this new procedure and the areas to which they may travel will increase automatically as additional westbound transportation facilities become available and the housing situation in Europe improves. It is estimated by travel experts that as many as sixty to seventy thousand persons may be cared for during the coming travel season. This would mean that all the trans-Atlantic ships which are expected to return to passenger travel are actually returned to that service and that the airlines will be able to maintain the accelerated program which they anticipate. Special emphasis is laid upon the necessity of according expeditiously every facility to the travel of American businessmen engaged in the restoration of international trade. Thus pleasure travel will be secondary to essential travel, provision for which is already established.

Defense of "Pipeline" Contracts for Sale of Lend-Lease Supplies

LETTER FROM UNDER SECRETARY CLAYTON TO SENATOR STYLES BRIDGES¹

January 17, 1947.

The Honorable STYLES BRIDGES
United States Senate

DEAR SENATOR BRIDGES: At the suggestion of Mr. Lindsay C. Warren, the Comptroller General, I am asking your assistance in resolving a difficult situation which has arisen in the administration of the Lend-Lease Act.

Following the cessation of hostilities in the Pacific, foreign governments were notified that lend-lease, on the basis on which it had been furnished during the war, would be immediately terminated. However, there were at that time already on order, in various stages of procurement, large amounts of industrial goods which had been requisitioned under the lend-lease program by the various lend-lease governments. These goods had in large part been ordered to the particular specifications of the requisitioning governments. In order to avoid the unfortunate consequences of an abrupt termination of the lend-lease supply program, the United States offered to each of the countries concerned an opportunity to buy and pay for the goods which had been requisitioned for its particular account. This offer resulted in the execution of a number of so-called "pipeline" contracts, under which the United States committed itself to sell, and the foreign government committed itself to buy and pay for, specified goods which were on order on V-J Day, September 2, 1945. All these pipeline contracts were executed before July 1, 1946, and therefore were fully within the authority conferred by the Lend-Lease Act. They constitute firm obligations of the United States to sell goods specifically identified by requisition numbers and procurement contracts made before September 2, 1945. No limit was placed in the pipeline contracts on the time within which delivery was to be made.

The problem with which the Department of State finds itself now faced arises out of the language of the Third Deficiency Appropriation Act, Public Law 521, 79th Congress, approved July 23, 1946. That Act continued the availability through the fiscal year 1947, for purposes of lend-lease

liquidation, of the sum of \$5,500,000 out of existing lend-lease appropriations, with the proviso, however, that "the amount named herein shall not be available for any expense incident to the shipment abroad of any commodities after December 31, 1946".

It will be noted that this provision of the Third Deficiency Appropriation Act does not purport to require the United States to abrogate its pipeline contracts with foreign governments as of December 31, 1946; and the Department has naturally been most anxious to find some means to avoid that result, since the pipeline contracts were made with particular reference to the provisions of the Lend-Lease Act which authorized the continuance down to June 30, 1949, of any activities necessary to carry out a contract or agreement made under the Act with a foreign government before July 1, 1946. It had been hoped that the difficulty could be avoided by completion of all deliveries before December 31, 1946; but in the latter part of 1946 it became evident that, owing to strikes and other delays entirely outside the control of the procurement agencies of the Government, goods with a value of somewhere near \$35,000,000 would still not be ready for delivery by the end of the year. I enclose a copy of a statement which has just been compiled showing in detail the nature of the material committed but undelivered to each country as of December 31, 1946.²

Accordingly, the Department approached each of the foreign governments concerned, and pointed out that under the Third Deficiency Appropriation Act, appropriated funds could not be used to pay the administrative expenses which would be involved in the procurement of the goods which could not be made available for delivery before December 31st. Each of the governments was requested, if it should desire to receive these goods, to put up with the Treasury Department funds of its own, amounting to 2½% of the procurement

¹ Chairman of the Subcommittee on Deficiency Appropriations of the Senate Committee on Appropriations.

² Not printed.

cost, to be used to cover these administrative expenses. These deposits were all made before December 31, 1946, and are now in the hands of the Treasury, which is prepared to use them for that purpose if permitted to do so.

The question whether the necessary procurement activities can be carried on in this manner has been discussed at length with Mr. Warren, the Comptroller General. After a careful review of all the documents he has indicated that the course which the Treasury and the Department of State have proposed to follow is in his judgment a reasonable one, and that he is anxious to take all possible steps to facilitate it. However, he has expressed concern that, even though the Third Deficiency Appropriation Act did not in terms require the United States to discontinue performance of its contracts with foreign governments, that might have been the intention of Congress in

passing the Act. Accordingly, he has requested the Department to consult with the Appropriations Committees of the Senate and the House, laying all the facts before them and securing their views as to the propriety of the proposed course of action.

As you can understand, the matter is of considerable urgency, and I should greatly appreciate your arranging for a conference with the appropriate members of your Committee at the earliest possible moment. Mr. Willard Thorp, Assistant Secretary of State for Economic Affairs, and Mr. Chester T. Lane, Lend-Lease Administrator, will be prepared to meet with you and to present the facts in greater detail at any time which you may select.

Sincerely yours,

W. L. CLAYTON

Under Secretary for Economic Affairs

LETTER FROM LEND-LEASE ADMINISTRATOR TO SENATOR BRIDGES

OFFICE OF FOREIGN LIQUIDATION COMMISSIONER,
February 13, 1947.

The Honorable STYLES BRIDGES,
United States Senate.

MY DEAR SENATOR BRIDGES: The Department has received the transcript of the testimony of Mr. Lindsay C. Warren, Comptroller General of the United States, and of members of his legal staff, given before the Senate Committee on Appropriations on February 7, 1947, and a covering letter from Mr. Everard H. Smith, Clerk of the Committee, expressing the Committee's desire for answers to the legal questions raised in the course of this testimony. This letter undertakes to comply with the desire of the Committee.

A basic question raised in the course of the hearing, and particularly in the questions of Senator Thomas and Senator Young, is whether the lend-lease "pipeline" agreements with the foreign governments are binding on the United States. There is no question in my mind that they are binding on our Government. The agreements were signed by duly authorized representatives of the Government in accordance with the clear authority of an Act of Congress (the Lend-Lease Act). They were all executed before July 1, 1946, under authority of section 3(c) of the Lend-Lease Act, which not only

authorized their making, but also specifically provided that all payers under the Act "may be exercised to the extent necessary to carry out a contract or agreement with . . . a foreign government made before July 1, 1946". Furthermore, at the time these agreements were entered into, Congress had already appropriated ample funds with which to pay all the costs of carrying out the commitments, including not only the procurement costs of the goods, but also the cost of all administrative expenses incident to completion of the agreements. The binding character of the agreements was recognized by the Comptroller General in his opinion of October 31, 1946 (No. B-59922) holding that funds appropriated prior to July 1, 1946 were obligated and remained available for expenditure after that date, by virtue of the international agreements theretofore entered into. The action of Congress in enacting the Public Law 521 on July 23, 1946, with the restriction on the use of the funds after December 31, 1946, created an impediment to the carrying out of the agreements which did not exist when they were negotiated.

The pipeline agreements themselves contain no specific mention of a Congressional power to prevent the consummation of the undertakings by denial of appropriations. Some of them contain

references to the legislative authority under which they were made, and some contain specific provisions to the effect that deliveries can be denied by the United States in its "national interest". The pipeline agreements with the USSR, China and Brazil, for example, state that the articles and services to be provided are made available "under the authority and subject to the terms and conditions of the Act of March 11, 1941, as amended, and any acts supplementary thereto". The agreements with France, Belgium and the Netherlands contain similar language, but use the expression "any appropriation acts thereunder" in lieu of "acts supplementary thereto". Both of these expressions were intended to describe the same thing, namely, the substantive legislative authority under which the agreements were made. Although most of the legislative authority appears in the Lend-Lease Act and amendments thereto, the substantive authority has, from time to time, been supplemented in appropriation acts (see e.g., the first proviso of section 201 and sections 302 and 303 of the Fifth Supplemental National Defense Appropriation Act, 1942, Public Law 474, approved March 5, 1942). These conventional references to the statutory authority under which the agreements were made cannot in the judgment of the Department be construed as a reservation of authority in the United States to effect unilateral abridgement of the agreements. In fact, section 3(c) of the Lend-Lease Act provides that in general the powers under the Act may be terminated by "the passage of a concurrent resolution by the two Houses before June 30, 1946"; but it also specifically provides for continuance of those powers until July 1, 1949, whenever necessary to carry out a contract or agreement with a foreign government *made before the passage of such a concurrent resolution*. Under this provision, any foreign government contracting with the United States was entitled to assume the good faith of an Act of Congress which stated in effect that even if the Congress were to terminate in general the lend-lease powers by concurrent resolution, the termination would be inapplicable to agreements made before the passage of the resolution. Appropriation legislation having the effect of terminating the power to carry out agreements made before the date of the legislation would be equally inconsistent with the assurances contained in the Lend-Lease Act upon which both the representa-

tives of the United States and those of the foreign governments relied in making the pipeline agreements. Accordingly, the failure of this Government to complete shipments under the pipeline agreements will unquestionably be considered by the other governments to be a violation of the agreements, and conversations with representatives of those governments have already made this fact clear.

The agreements with France, Belgium, the Netherlands and the United Kingdom contain a provision that the United States may decline to deliver articles covered by such agreements when delivery would be contrary to its national interest. "National interest" in this respect must be interpreted as signifying some urgent need of the United States for the equipment, or some strong reason of policy for not wishing the other government to receive the material. In view of the fact, for example, that a considerable quantity of coal mining machinery is now being held for France, the Department of State feels that it would rather be in the overall interest of the United States to have such material delivered as quickly as possible. In some of the other agreements, such as those with China, the United Kingdom, the USSR and Australia, the deliveries are to be completed "to the extent that such articles are or will be available to the Government of the United States for transfer to" the other government. This language can hardly be interpreted as meaning that the United States can, by its own act in refusing to appropriate funds, create a condition of unavailability of the articles.

In the course of the hearing on February 7, the question arose several times as to the obligation of the United States to pay suppliers of lend-lease material in case Congress does not permit the delivery of the material to the foreign governments. All the material now in the pipeline was under contract on VJ-Day, and the United States is legally bound to pay the suppliers for all material completed to date, plus other considerations provided in the contracts. In response to Senator Tydings' inquiry, the Comptroller General stated that the Government had full power to make these contracts with the suppliers, and I should like to confirm that this answer is correct and that the power is found in the various provisions of the Lend-Lease Act, supplemented by the various appropriations passed by Congress from time to

time. By far the bulk of the material with which we are concerned has been completed and delivered by the suppliers to the United States and is held in storage for the account of the United States. This includes all of the refinery equipment for the USSR. The uncompleted material consists chiefly of equipment on which manufacture has been started and progressed far towards completion, but has been held up because of delays by the manufacturer in securing some vital component. In cases where material has not been delivered by the manufacturer, the Government would be legally bound to pay cancellation charges regardless of the ultimate disposition of the goods. In a separate statement, I am providing a reply to Senator Tydings' inquiry as to which of the goods would find a ready market in the United States and those that might not find such a market.

In the course of the hearings, several questions were asked on the subject of the 2½ percent that the foreign governments were asked to deposit to pay the administrative expenses which Public Law 521 provided could not be paid out of funds made available therein. When it was realized, in the fall of 1946, that strikes and other difficulties would delay the delivery of a substantial quantity of pipeline material until December 31, 1946, the Department of State was confronted with a very difficult problem. Solemn agreements were outstanding with foreign governments. Congress was not in session; the Appropriations Committees were not organized. In order to avoid a complete breach of our agreements with the foreign governments, it was decided to ask each government to deposit the funds that would be necessary to pay the expenses incident to shipment after December 31, 1946. The foreign governments, although not required by their agreements to make such deposits, paid the full amount requested to the Treasurer of the United States. The Comptroller General ruled that these deposits could not be used for the purpose intended; as he stated before your Committee, he felt that such use would be a "subterfuge" calculated to circumvent the will of Congress. We did not agree with this view, but believed rather that since the Congressional prohibition was directed against the use of appropriated funds, there would be no violation of the will of Congress in completing pipeline deliveries through the use of funds *not* appropriated but supplied by the foreign governments themselves. In view of

the disagreement with the Comptroller General, however, we were glad to present the question to the Committees of the House and Senate, as we are now doing.

Special comment should be made on the observation of Senator Russell at the hearing that this "is a case where the Department had been put on notice 6 months before and were told to get these goods out by the first of January, and they evidently made up their minds to force Congress to do something, and if they could not get it changed, to ask for further legislation". This statement neglects the fact that when the Third Deficiency Appropriation Act, 1946, was passed, all the contracts with the suppliers, and all the agreements with the foreign governments, were already in effect. At the request of the Department of State every possible effort has been made by the Bureau of Federal Supply (formerly Procurement Division of the Treasury) to meet the desire of the Congress by pressing contractors to expedite production and by seeking mutual agreement to contract cancellations where production could not be completed before December 31, 1946. Beyond this, however, the Department of State could not go, without unilaterally breaching agreements made in good faith between the United States and various foreign governments before the action of Congress in question was taken. In the absence of an unequivocal direction from the Congress, the Department did not feel that this was a course which it could properly take, or which the Congress would have desired it to take.

A number of questions were asked at the hearing on the issue of what would happen if Congress takes no action on this matter. In that case, the \$873,211.98 deposited by the foreign governments to cover administrative expenses will have to be refunded. The material in storage, in warehouses and at factories will have to be paid for by the United States, declared as surplus and sold under the Surplus Property Act. This Department, in response to your question, has concluded that there is no other way of selling this material to the foreign governments. They would have to take their chances on the priority system, and they would have to pay cash. The latter fact would, of course, be particularly offensive to a Government like Australia, which has already paid for all the material in its pipeline and would have to pay again

(Continued on page 360)

Certain Aspects of Lend-Lease Arrangements With U.K. and U.S.S.R.

STATEMENTS BY UNDER SECRETARY CLAYTON

*Statement on legal aspects of the so-called "Land-Leathers agreement" between the Governments of the United States and the United Kingdom, dated December 9, 1944*¹

The so-called "Land-Leathers agreement" between the Governments of the United States and of the United Kingdom was entered into on December 9, 1944.² The agreement was an implementation of the policy set forth in a letter from President Roosevelt to Prime Minister Churchill, dated May 23, 1943,² in which was enunciated a broad strategic war plan of British emphasis on construction of fighting ships and in increased United States emphasis on construction of merchant ships. Admiral Emory S. Land, then War Shipping Administrator, signed the agreement on behalf of the United States, acting under a delegation of the authority conferred upon the President by Congress in the Lend-Lease Act of March 11, 1941. The delegation of authority was made pursuant to section 9 of the Lend-Lease Act. On September 27, 1945, the President's general lend-lease authority was vested in the Department of State by Executive Order No. 9630.³

The signing of the Land-Leathers agreement was an exercise of the President's lend-lease authority contained in section 3(b) of the Lend-Lease Act, whereby it is provided that the terms and conditions on which a foreign government receives lend-lease aid shall be those which the President deems satisfactory. Actual transfers of the ships involved have been made under the authority of section 3(a) of the act, providing that the President may "sell, transfer title to, exchange, lease, lend, or otherwise dispose of" defense articles to foreign governments.

In appropriations made to the U.S. Maritime Commission and the Navy Department for ship construction, the Congress had provided that the ships constructed out of such appropriations could not be transferred to a foreign government for any period longer than the duration of the war

and six months. No such restriction was placed by Congress upon the transfer of ships procured with lend-lease funds appropriated directly to the President. Nevertheless, the President adopted a general policy of not transferring ships, regardless of the funds with which they were procured, to foreign governments for any period longer than the duration of the war and six months. The Land-Leathers agreement not only conformed to this policy but went further in providing for immediate termination of the agreement by proclamation of the President or by concurrent resolution of the Congress. Since neither the Congress nor the President has as yet proclaimed the end of the war, or taken any action terminating the Land-Leathers agreement, the existing arrangements under the agreement are in strict accord with the above congressional and presidential policies limiting the duration of charter of vessels to foreign governments.

Under section 3(c) of the Lend-Lease Act, the President may exercise until July 1, 1949 most of his important powers under the act to the extent necessary to carry out a contract or agreement with a foreign government made before July 1, 1946. However, about the time of V-J Day the President adopted the general policy of bringing lend-lease transfers on a non-payment basis (so-called "straight lend-lease transfers") to a close. In line with this policy he exercised his authority under section 3(b) of the Lend-Lease Act, again acting through the War Shipping Administrator—at that time Capt. Granville Conway—and changed the terms and conditions of the Land-Leathers charters to a cash-payment basis, effective beginning December 1, 1945. This action was formalized in an exchange of letters dated February

¹ Statement made before the Subcommittee on Ships Sales, Charters, and Lay-ups of the House Committee on Merchant Marine and Fisheries, on Feb. 6, and released to the press by the Subcommittee on the same date.

² Not printed.

³ 10 *Federal Register* 12245.

15, 1946.⁴ Of course, time-consuming negotiations preceded the final formalization, and during these negotiations hearings were commenced in the Congress on a bill relating to disposal of war-built vessels owned by the United States Government. While not required to do so by law, the President in revising the terms of the Land-Leathers charters followed as closely as possible the tentative outline of congressional policy contained in the then current version of the bill under discussion. It should be noted that the Government of the United Kingdom was not required to pay charter hire under the existing arrangements on these vessels as embodied in the Land-Leathers agreement. Nevertheless, in order to assure continuation of the charters, the Government of the United Kingdom agreed to pay cash charter hire.

Enactment by Congress of the Ship Sales Act on March 8, 1946 had no legal effect upon the vessel charter arrangements which had previously been consummated by the Governments of the United States and the United Kingdom. Although the Land-Leathers agreement had been shown to Congress and Congress was clearly empowered to terminate it at any time, it did not elect to do so; and, since the wording of the Ship Sales Act was clearly prospective in effect, not retroactive, existing arrangements such as the Land-Leathers agreement were presumably intended by Congress to remain undisturbed. Evidence of this congressional intent appears on page 15 of Senate Report no. 807, 79th Congress, 1st session, from the Committee on Commerce, entitled "Sale of Certain Government-Owned Merchant Vessels", in which comment was made on the Ship Sales Bill. The language was as follows:

"It should be noted that at the present time a number of war-built vessels are under foreign charter, and additional voyage charters are now in

use in connection with maintaining the shipping necessary during the transition period until peacetime operations can take over.

"Existing authority for such charter is not disturbed by the bill, except that United States citizens are given a preference in purchasing or chartering the war-built vessels."

Existing arrangements were to remain undisturbed despite the unequivocal congressional intent contained in the Ship Sales Act that no war-built vessels were to be chartered in the future to foreign governments. Assurances were asked of the Executive branch of the Government and given by it at the time of passage of the Ship Sales Act that the future disposal of vessels then out on charter to foreign governments on lend-lease would be carried out in conformity with the Ship Sales Act. This serves to illustrate the understanding of Congress that such charters would continue and that, upon the termination of the charters and return of the vessels, disposal thereon would be in accordance with the congressional policy set forth in the Ship Sales Act.

*Statement on arrangements between the Governments of the United States and of the U.S.S.R. with respect to merchant vessels transferred under the Lend-Lease Act*⁵

Commencing in July 1942 the Government of the United States undertook to transfer merchant vessels to the Government of the U.S.S.R. under the Lend-Lease Act for the purpose of improving the flow of lend-lease war supplies to Russia via the Pacific. This decision was taken as a matter of military strategy and was endorsed by high military authorities of the United States because of the shorter distance and greater safety of the route in question. For obvious reasons American flag vessels could not make the passage through hostile Japanese waters at that time.

All the merchant vessels transferred by the United States to the U.S.S.R. for the carriage of lend-lease cargo were for use on the Pacific route. All transfers of merchant vessels to the Government of the U.S.S.R. under the Lend-Lease Act were financed out of lend-lease funds appropriated directly to the President.

⁴ Not printed. For joint statement by U.S.-U.K. regarding settlement for lend-lease, reciprocal aid, surplus war property, and claims, see BULLETIN of Dec. 9, 1945, p. 910. For summary of U.S.-U.K. agreements on same subjects, see BULLETIN of Apr. 7, 1946, p. 580.

⁵ Statement made before the Subcommittee on Ships Sales, Charters, and Lay-ups of the House Committee on Merchant Marine and Fisheries on Feb. 7, and released to the press by the Subcommittee on the same date.

Under this program a total of 125 vessels were transferred, of which 26 have subsequently been returned and 4 lost, with 95 still remaining in Russian hands. The transfers were made in response to requests for the vessels by the Government of the U.S.S.R. These requests were formalized in requisitions signed by authorized officials of the Soviet Purchasing Commission and submitted to the lend-lease authorities of the U.S. Government. The requisitions were processed in accordance with usual lend-lease procedures, and the necessary funds were allocated to the War Shipping Administration from the lend-lease presidential appropriation by commitment letters from the Lend-Lease Administrator to the War Shipping Administrator. Upon actual transfer of the vessels to the Government of the U.S.S.R. a receipt was signed by a duly authorized representative of that Government. Samples of the above-mentioned documentation are being furnished to the Committee.

The foregoing procedure conformed with that followed in ordinary lend-lease transfers, and accordingly all the provisions of the master lend-lease agreement between the Governments of the United States and of the U.S.S.R. were fully applicable. This fact placed two very important restrictions upon the vessels: (1) The Government of the U.S.S.R. had no right to retransfer the vessels to third parties without the consent of the President of the United States; and (2) the President of the United States had the power to demand, upon termination of the emergency as declared by him, the return of such vessels as were not lost or destroyed in the war.

The above-described form of transfer was adopted as a device peculiarly suited to minimizing the possibility of seizure of the vessels by the Japanese, it being at least doubtful under international law whether the Japanese had a right to seize such a vessel flying the Russian flag and manned by a Russian crew. It served not only to strengthen the hand of the Russians in their dealings with the Japanese on vessel seizures, but also enabled the Japanese to resist, without loss of face, German pressure on them to seize the vessels controlled by the Russians. A number of test cases developed during the war in which the Japanese

detained vessels in this category, and the fact that all such vessels were promptly released by the Japanese attests to the success of the device.

Clear legal authority for making such transfers existed in the broad language of section 3(a) of the Lend-Lease Act whereby the President may "sell, transfer title to, exchange, lease, lend, or otherwise dispose of" defense articles to lend-lease governments. The provisions of the U.S. Maritime Commission and Navy Department appropriation acts restricting the transfer of vessels constructed out of those appropriations to leases for periods not longer than the duration of the war and six months did not apply to transfers of these vessels, since they were financed out of funds appropriated directly to the President not subject to such restrictions.

Nevertheless, the general congressional policy was covered by the provision of the master lend-lease agreement whereby the President retained the right to have the vessels returned at the end of the emergency.

Upon the termination of straight lend-lease shipments on V-J Day, consideration was given to the problem of disposal of the vessels transferred to the U.S.S.R. It was felt that an opportunity should be afforded the Government of the U.S.S.R. to purchase certain of the ships from the United States for retention in the Soviet Merchant Marine, which had been very badly depleted by enemy action. However, in as much as the Ship Sales Bill was under consideration by the Congress at that time, the Department of State decided to await the wishes of the Congress on disposal of war-built vessels before approaching the Soviet Government for a settlement. On March 18, 1946, 10 days after the enactment of the Ship Sales Act, a diplomatic note was addressed to the Soviet Government by the Department of State in which reference was made to this legislation. It was stated that the U. S. Government would shortly be in a position to entertain applications for the purchase of vessels eligible under the act which the Soviet Government might wish to retain. The Soviet Government was informed that, if not interested in purchasing the vessels in question, it should return them to the United States promptly. No satisfactory reply to this diplomatic note has been received.

Correspondents Oppose Visa Limitation for Coverage of Council of Foreign Ministers

LETTERS TO THE SECRETARY OF STATE FROM PRESS AND RADIO GROUPS

[Released to the press February 11]

Letter to the Secretary of State from the committee which has considered the problems of news coverage for the forthcoming meeting of the Council of Foreign Ministers at Moscow:

February 11, 1947.

DEAR SIR:

A Committee, comprised of a representative of the Department of State, of the Congressional Standing Committee of Correspondents, of the State Department Correspondents' Association, of the Radio Correspondents' Association, and of the Periodical Correspondents' Association, has met at the request of the Secretary of State. In almost continuous sessions over three days, it has considered the problems of news coverage of the forthcoming Council of Foreign Ministers at Moscow.

The Committee finds that it is impossible to provide the press, radio and periodicals with adequate opportunity to inform the American public within the limitation of 20 visas now proposed by the Soviet Government. In the understanding that negotiations still are proceeding for broadening this base, the Committee has classified the applications of all organizations in a sequence which the Committee recommends for support by the Department of State.

This classification was unanimously approved on the basis of the statement of principles published by the Committee on February 8, and after thorough consideration of written and oral representations of applicants, and with careful consideration of the objective of presenting the most information to the greatest number of Americans.

The Committee has neither the power nor the disposition to exclude any *bona fide* applicant organization from the right to report the deliberations at Moscow. The purpose of this list is to provide guidance to the Secretary of State and to applicants in order that at least some applicants may be able to make definite plans.

On the basis of the statement made in New

York by the Soviet Foreign Minister some applicants have sailed and others are booked to sail within 72 hours. The urgency of this time element necessarily has complicated the Committee's work.

The list follows:

1. Associated Press
2. Associated Press
3. United Press
4. International News Service
5. International News Service
6. Columbia Broadcasting System
7. National Broadcasting Company
8. Still photographer (pool man)
9. Newsreel camera man } pool
10. Newsreel sound man }
11. Baltimore Sun
12. New York Herald Tribune
13. New York Post
14. New York Times
15. Chicago Daily News
16. Chicago Tribune
17. Newsweek Magazine
18. Overseas News Agency
19. Scripps-Howard Newspaper Alliance
20. World Report - United States News
21. Philadelphia Inquirer
22. Philadelphia Bulletin
23. New York Daily News
24. Detroit News
25. Washington Post
26. Washington Evening Star
27. Boston Globe
28. Time & Life
29. Chicago Times
30. Still photographer (pool man)
31. New York Herald Tribune Syndicate
32. Boston Herald
33. Providence Journal
34. Block Newspapers (Toledo Blade, Pittsburgh Post-Gazette)
35. New York Daily Worker
36. Newark Evening News
37. Gannett Newspapers
38. N.C.W.C. News Service
39. St. Paul Dispatch
40. Wall Street Journal
41. Saturday Evening Post
42. New Yorker Magazine
43. Foreign Policy Bulletin
44. Fairchild Publications

45. American Mercury Magazine
46. Atlantic Monthly
47. Conde Nast Publications, Louisville Courier-Journal
48. Press Alliance
49. New Leader Magazine
50. Transradio Press Service, Inc.
51. Reader's Scope Magazine
52. Medford (Oregon) Mail Tribune

Very truly yours,

WILLIAM THEIS

Secretary, Standing Committee of Correspondents

THOMAS F. REYNOLDS

President, State Department Correspondents' Association

WILLIAM R. McANDREW

Radio Correspondents' Association

FRANK McNAUGHTON

Chairman, Executive Committee, Periodical Correspondents' Association

M. J. McDERMOTT

Special Assistant to the Secretary for Press Relations

[Released to the press February 11]

Joint statement of press correspondents' associations to the Secretary of State:

February 11, 1947.

TO THE SECRETARY OF STATE:

Joint statement by representatives of the Standing Committee of Correspondents, the State Department Correspondents' Association, the Radio Correspondents' Association, and the Periodical Correspondents' Association:

1. The American press and radio, through the cooperation of previous Secretaries of State, have over a period of years gradually been accorded opportunity for careful and detailed reporting of Great Power conferences in which the peace of the world is being shaped. This procedure began to approach a satisfactory stage at the last Council of Foreign Ministers meeting at New York City.

2. When the United States at New York accepted the invitation of the Soviet Government to participate in the next meeting of the Council of Foreign Ministers at Moscow, the Soviet Govern-

ment gave specific assurances through its Foreign Minister that everything would be done in spite of housing difficulties to accommodate the correspondents and to create the most favorable conditions for their work. This assurance stated further that American correspondents would be able to report from Moscow on procedures of the Conference as they reported from Paris and New York. To every member of the American working press, this could only mean comparable facilities.

3. The undersigned organizations, through their representatives, have now completely explored the Soviet tender of a maximum of 20 visas for American news media and find that this Soviet provision is shockingly inadequate.

4. In accepting responsibility in behalf of the American press and radio in this emergency situation, the undersigned organizations in no sense condone but vigorously protest the Soviet limitation which would represent a serious step away from enlightened world opinion.

5. We are sure that you realize, and that the negotiators in Moscow will appreciate, that an informed public opinion in the United States and elsewhere is necessary if the Conference decisions are to be effective.

6. We therefore respectfully request, with the greatest emphasis at our command, that you urgently ask the Soviet Government to grant as a basic minimum visas for the list of 52 transmitted to you by the special joint committee this afternoon. We further request that you impress upon the Soviet Government the importance of granting to American radio correspondents the use of adequate transmission facilities for direct Conference reporting to the American radio public.

WILLIAM THEIS

Secretary, Standing Committee of Correspondents

THOMAS F. REYNOLDS

President, State Department Correspondents' Association

WILLIAM R. McANDREW

Radio Correspondents' Association

FRANK McNAUGHTON

Chairman, Executive Committee, Periodical Correspondents' Association

Freedom of Information: The Role of the State Department

BY ASSISTANT SECRETARY BENTON¹

In his "Four Freedoms" message to Congress in January of 1941, President Roosevelt affirmed as a fixture of United States foreign policy the securing of "freedom of speech and expression—everywhere in the world."

Two years later, the press of this country embraced the campaign to establish a world free press as an American war aim. Kent Cooper proved an eloquent advocate at an Associated Press luncheon in New York on April 19, 1943. His numerous talks and articles were widely reported in the press and enthusiastically endorsed by editorial comment throughout the country.

Hugh Baillie, President of the United Press, Seymour Berkson, General Manager of the International News Service, as well as the American Society of Newspaper Editors, the American Newspaper Publishers Association, and individual editors all over the country, joined actively in the campaign.

It would be hard to conceive of a more powerful combination for promoting a press campaign: the wartime President of the United States, aided by leading publishers and editors and by our three news services.

May we now hope that the time is propitious for converting our campaign of words into deeds? These are indeed times when men's souls, in their trial, need such hope to which to turn. For we have learned that there is an essential connection between denial of freedom of expression on the one hand, and dictatorship and war on the other; and that if in some way freedom of expression could be guaranteed throughout the world—and fostered and promoted—then the risk of aggressive war would be greatly reduced. This is the unlearned lesson of the news of the world for the past 25 years.

In Italy, Germany, and Japan the vicious and tragic sequence has been witnessed: seizure of national power, consolidation of dictatorship through the control of information and expression,

the building of a national war psychosis behind a wall of ignorance, and, finally, aggressive war.

Thus the American and world response to the press campaign for a world free press is indeed a very practical instinct for promoting and preserving democracy, and for improving international relations.

The press campaign, subsequently broadened to include radio, books, and the motion pictures, and thus directed towards "freedom of information" rather than the narrower "freedom of the press", has had marked success in attracting public support and official acceptance in the United States. Both the Republican and Democratic Conventions of 1944 endorsed it in their platforms. Statements of support were given by the governors of forty-five states, and by three successive Secretaries of State. A concurrent congressional resolution asserting "world-wide right of interchange of news . . . without discrimination . . . protected by international compact" was unanimously passed by the Senate and House of Representatives in the fall of 1944. Further, three representatives of the American Society of Newspaper Editors traveled around the world publicizing and promoting the idea of freedom of information among government officials, publishers, and editors.

Only last Wednesday President Truman, reporting to Congress on the United Nations, said: "The United States believes that freedom of information must be realized on a far wider basis than exists in the world today if the United Nations is to succeed. We have strongly supported the policy of public debate of all issues in the United Nations because this promotes public knowledge and understanding and gives the peoples of the world a more direct opportunity to influence the results. We have also asked for action to break down the barriers to a wider, freer flow of information in the world."

Here from the President is the culmination of the American press campaign.

Now from such fertile soil things of potential importance could not help sprouting. They have

¹ Address delivered before the Inland Daily Press Association in Chicago, Ill., on Feb. 11 and released to the press on the same date.

sprouted and they have grown. And they are still growing. Most of the members of the United Nations have joined in the campaign, with the result that freedom of information objectives have been incorporated into several international agreements, including the United Nations Charter, the final act of the inter-American conference of 1945 at Mexico City, and the Charter of the United Nations Educational, Scientific and Cultural Organization. Obligations have thus been assumed and a new basis laid in international law for action designed to protect and promote freedom of information in the world. Both the United Nations and UNESCO are undertaking important inquiries in this field, and the United Nations General Assembly has directed the calling of an international conference on freedom of information during 1947.

These international agreements and activities cannot of course be attributed merely to the campaign waged by the American press. The same historic lessons, the same harsh facts, the same startling opportunities that impressed American editors and publishers had also become apparent to government officials and newspaper readers the world over. In a sense, therefore, the press campaign was a "natural"—it just couldn't misfire. Each speech given on the subject could hardly fail to produce a rash of favorable editorials. That is the favorable side of the picture.

An unfavorable side is that it has been estimated that 75 percent of the earth's population today lives under some degree of censorship, blackout or dimout. In large areas of the world—areas, it is true, which may never have enjoyed a free-press tradition—restrictions are more severe than they were a quarter of a century ago. Seymour Berkson of International News Service reported recently that 29 members of the United Nations practice some degree of censorship.

Even in the United States the implications of freedom of information are not as widely recognized as we would like to believe. In a recent opinion poll, 42 percent of those questioned felt that governments of foreign countries should have the right to keep out magazines and newspapers they do not agree with; 35 percent said that a foreign government should have the right to control any news sent out by American newspapermen. These opinions, gentlemen, are not the opinions of Russians; they are the opinions of your fellow

Americans. Forty-two percent agree that foreign governments should have the right to keep out our magazines and newspapers, and 35 percent feel that a foreign government should control news sent out by American newspapermen.

Perhaps this public-opinion poll shows that in this area we are still in the realm of words. Must we stay there? Or where can we go from there?

The press now seems to be running low on ammunition from the repeated firing of broadsides. Competing orators are running low on phrases.

What is the answer: More broadsides? More phrases? More international resolutions?

At the risk of almost too sudden descent to earth, I must point out that progress thus far towards greater freedom of information has consisted largely of agreeing where we want to go and trying to commit ourselves to going there. But we have hardly started to move. In other words, as a party of mountain climbers we have selected a distant peak, but we are still in the valley. What equipment and provisions do we need? How do we start? What shall be our route from where we now are? Where shall we camp the first night? the second? the seventh? Do we bridge the crevices or go around them?

A national consensus of opinion doesn't necessarily produce action. Nor does an international agreement upon an ideal. The reality of international relations today is that power still resides largely in the nations, and national governments or private groups within nations must *act*, if either nationally or internationally agreed objectives are to be attained.

To speak plainly, national opinion and international obligations have given national governments a tremendous job to do. In this country the responsibility for leadership falls primarily upon the Department of State. And the time has come when we must go from the parlor, where we have been discussing high-sounding principles, into the kitchen, where we must find out what ingredients make up a principle, procure them, put them together, and cook them. In this process the State Department is going to need a lot of help—not just advice, but hard work and contribution.

When we get into the kitchen, we find that in order to work effectively towards greater freedom of information in the world—

1. there are important things that the United Nations and UNESCO must do (and national

agencies must encourage and stimulate them to do the necessary);

2. there are important things the State Department must do;

3. there are important things that the information "industry" in the United States must do (meaning the publishing, radio, and motion picture industries);

4. and finally there are things that the people of this country and their representatives in Congress must do.

The State Department has responsibilities in connection with all four of these categories of activity.

I. Let us consider first the things that the United Nations and UNESCO can and should do to promote greater freedom of information.

The U.N. and UNESCO can and should make studies of the restrictions upon freedom of information that exist in various countries of the world, such as censorship; denial of access to news; restrictions upon correspondents; intimidation of correspondents; restrictions and discriminations as to communications facilities; tariffs and prohibitions upon the movement of books and other printed matter and motion pictures across national boundaries. U.N. and UNESCO can and should publicize these national restrictions, point out publicly the nations who practice them, urge nations to remove them. U.N. and UNESCO can and should draw up international self-denying conventions relating to these barriers and urge them upon national governments. But the *action* necessary for removing barriers, it must be noted, remains with the national governments.

On the positive side the United Nations and UNESCO have great potentialities for helping to organize an enormous flow of information between peoples. This chiefly means guiding private individuals, groups, and agencies within nations into cooperative international activity. It also means stimulating the growth of new facilities by which peoples may speak to peoples. And in some cases it may mean the creation of new United Nations facilities. An immediate opportunity, and urgent need, is that of helping the devastated countries of Europe and Asia to rebuild their communications facilities, their libraries, their educational systems. These activities on the part of the United Nations and UNESCO, however,

will require vigorous national support—in our case by the State Department—and appropriations by national governments—in our case by the United States Congress.

II. In the second category are a wide range of things the Department must do directly to promote freedom of information in the world. The Department's initiative and leadership in this field must become increasingly important. While other countries have made significant contributions, the chief pressure for world freedom of information has been American. Three Secretaries of State have publicly endorsed world freedom of information objectives. The initiative shown by the United States delegations in sponsoring freedom of information activity both on the part of the United Nations and on the part of UNESCO is evidence of State Department leadership in this field.

But the State Department is doing more. And to appreciate what it is doing it is necessary to take a broad view of what freedom of information consists of today.

Freedom of information is more than a golden phrase to be worshipped with public prostrations, loud protestations, and high-sounding resolutions. It is an ideal, such as charity or neighborliness, towards which we should strive in concrete ways.

Neighborliness and charity involve much more than avoiding acts of spitefulness or robbery of the poor; they involve positive daily acts of helpfulness, of giving, of sharing.

Likewise freedom of information. It involves more than removal by governments of positive obstructions; it also involves positive action to increase the flow of information and knowledge between peoples. The importance of the positive aspects of freedom of information is emphasized by the particular period in history in which we live. Removing positive barriers that governments have created to the flow of information between peoples is only the first step. The second step, and one necessary to give reality to international freedom of information, is to encourage information to flow through the channels that are clear, and if insufficient channels exist, to create them. The alternative to these two steps is the risk of annihilation.

Today's facilities for communication between peoples are a reflection of the needs of the past when national barriers were crossed only by the

official and the privileged. Cables and telecommunications facilities linking us with foreign countries are so limited and rates so high as sharply to restrict the number of possible users and the kinds of messages transmitted. Short-wave radio and international broadcasting over long wave has never been exploited by private interests for the reason that it does not pay. Transportation and other costs and hazards have sharply limited the number of students, professors, technicians, ambassadors of culture and good-will who could go abroad.

Now, suddenly, the need is overwhelming, crushing, not only for governments to remove official barriers that separate peoples, but for governments enormously to increase the potentialities for private communication between peoples, and where necessary to create the necessary facilities. This is perhaps our last best hope of breaking through the vicious circle of wars based on fear and ignorance.

The work of your Department of State towards freedom of information, therefore, must include constructive efforts to increase the flow of information between the United States and foreign countries. In two contrasting ways, in addition to pressing for international study and agreement, the Department is working towards greater freedom of information.

First we are exploring the possibilities of a program of bilateral negotiations with foreign countries. The objects of negotiations would be to clear away some of the political and economic barriers to the flow of information between the United States and other countries, and of building up respect for the principle of freedom of information both within and between countries.

We do not conceive of such a program as one of bargaining for national advantage. On the contrary, we expect that any agreements we may negotiate will be open to the adherence of any and all countries. Our object is not to reap cultural or commercial advantages for the United States but to stimulate a chain reaction that will result in an increase in the flow of information between all the peoples of the world.

We conceive of bilateral negotiations for the removal of barriers to freedom of information as a supplement to rather than as a substitute for any effort that the U.N. or UNESCO might undertake. Concrete agreements between any two coun-

tries would have a sharpening, exhilarating effect upon U.N. multilateral efforts.

A variety of elements can be the subject of bilateral negotiations: for example, reduction or elimination of postage on books, newspapers, and magazines; mutual adjustment of taxes on royalties; removal or reduction of tariffs, quotas or exchange controls; supply of printing machinery and newsprint; labelling of news, radio broadcasts, and publications as to source; definition of the role and scope of foreign information activities within national boundaries; exchange of students, professors, and technicians; access to news sources; and so forth. Bilateral agreements might also productively be extended to include a mutual statement of principles on the maintenance of freedom of speech and the press within national boundaries; maintenance of freedom of information across national boundaries; abolition of censorship; guaranties of freedom of movement for reporters; mutual guaranties protecting reporters from intimidation, punishment, and expulsion.

This is by no means a complete list. It is intended merely to be suggestive. The inclusion of any particular item in any bilateral agreement would depend, of course, upon the specific barriers existing, the political and economic relations between the two countries, and the over-all political and economic situation, expert judgment as to what should be sought and what could be achieved, and what incentives we have to offer. In some negotiations we may find it desirable to deal only with economic and technical matters; in others we may find it desirable to seek agreement on principles; and in still others it may be possible to have a judicious combination of the two.

Over a period of years, we might reasonably hope to make a real dent in the barriers to freedom of information, and to develop an ever-widening respect, affirmed in bilateral undertakings, for the principles and practices we advocate. We can also hope to construct bulwarks against the erection of future barriers. In this way the ground can be cultivated for any multilateral agreements that might be negotiated in the future under the auspices of U.N. and UNESCO.

An outstanding merit of the bilateral approach is that it allows us to push ahead and deal with specific barriers in some parts of the world without waiting for full international agreement and action. We must face the fact that the American

concept of a free press is not universally accepted. We must recognize frankly that under present circumstances any international agreement that could receive more than partial acceptance would have to be couched in very general terms; and that if present attitudes prevail, even those terms could be interpreted as meaning one thing in one country and another in the next.

It seems important, therefore, that we push ahead simultaneously with a concrete bilateral program in somewhat narrower areas where our own responsibility is inescapable and where our initiative may be rewarding.

Now, the second way the Department is promoting a greater flow of information in the world is by conducting an international information program designed to carry to foreign peoples more straight facts about American life and institutions, about America's culture, its strength, its policies.

In two ways this information activity supplements and differs from the news dissemination of U.S. news agencies; first, it consists almost wholly of background information, a type of information not handled by our news agencies; and, secondly, it is spread abroad through channels not employed to any important extent by U.S. private interests, that is to say, by short-wave radio, documentary films, pamphlets, and information staffs and libraries of information attached to our embassies and legations abroad.

The long-range object of our information program is to promote world understanding of the United States and its policies as a part of that world understanding that is necessary if we are to have peace.

III. A third category of things that can be done to foster freedom of information comprises those things that the information "industry" can itself do. I am sure that when I mention them, some members of the press, radio, and motion picture industry will think I go too far. Barriers to the flow of information, they will say, are the fault, the creation, the error of *other* people; and it is up to those who erect barriers to remove them.

I wish that I could think that the problem is as simple as that. But it isn't. Not by any means.

Here in the United States, where, relatively speaking, we have the freest media of communication in the world, a group of distinguished citizens has been working together for over two years, inquiring into the thousand facets of this

complicated problem, trying to find out to what extent our media are really free, and to what extent they fall short of providing adequate facilities for making the fullest reality of freedom of expression. Thus leading minds in this country are earnestly concerned about whether our own press and radio are adequately serving as instruments of the people's expression. This group, the Commission on Freedom of the Press, will make public its findings within a few weeks.

The problem is not merely one of governmental barriers erected to the flow of information, or of conspiratorial private agreements. The question is also whether enough facilities are available to the people to give fullest realization to freedom of expression, and whether the facilities that exist are fully available to the people.

I do not intend to go further into this complicated question in its domestic connotations. The Department of State has no primary responsibility in this field. I mention the domestic problems here for two reasons. The first reason is that as soon as the United States raises the question of freedom of information in other parts of the world, as it has already done, searching eyes both at home and abroad automatically turn upon our own possible shortcomings. The second is to emphasize that in the international field, as in the domestic, the problem of freedom of information has two aspects: the one consists of the deliberately erected barriers; the other consists of the adequacy or inadequacy of existing facilities, as they are now operated, to give fullest meaning to freedom of expression.

It is obviously up to governments to remove government-imposed barriers to a flow of information between peoples. But whose job is it to see that peoples have adequate facilities to speak to each other across national boundaries? Who is to provide the facilities?

There will be varied answers to this question around the world, but in this country the answer is that private interests will be given every encouragement to provide the necessary facilities for mass international communication. To the extent that they do not meet the need, government must help to make up the deficiency. It is too costly in terms of peoples' lives and liberties to do otherwise. Freedom *does* have its positive aspects from which it cannot be separated.

I should like to call your attention to one report

already published by the Commission on Freedom of the Press. It is a report on international mass communication written by Llewellyn White and Robert D. Leigh. It is entitled *Peoples Speaking to Peoples*. A great many people are given advice in this little book—even the State Department.

It is unfortunate that this report has not had more public attention. The limelight seems to have centered largely upon two or three controversial and possibly unsound ideas. I think it would be rewarding reading for all the members of the communications industry. They would find there a great many specific suggestions as to how the American press, radio, and motion picture industries might contribute by their own action toward creating greater freedom of information in the world.

There is another question that must be faced honestly and courageously if freedom of information is to expand or even to be maintained in this world, and that is the question of responsibility. And responsibility involves at its core questions of honesty, adequacy, and accuracy.

Can freedom of information be created internationally if any sizable portion of the press abuses its freedom, if it uses its freedom to misrepresent, to arouse ugly emotions, to stir up hatred? Can we hope that all nations will agree to full freedom of information if a substantial number of the foreign correspondents to which they are host indulge in superficiality, sensationalism, and dishonesty, with the result that an inaccurate and unfair picture is painted?

These are questions that outstanding editors and publishers of this country are themselves asking today. They are beginning to wonder whether breaking down barriers to a greater flow of information between countries might not lead to greater international friction rather than understanding, unless accompanied by a much greater sense of public responsibility on the part of those who own and operate the press, radio, and motion picture industry.

We in the United States are committed to the proposition that the safest, surest way to increase understanding of contemporary problems, both domestic and international, is to place minimum restrictions on expression and communication. It is an article of our faith that, out of the free competition of facts and ideas, the truth will emerge.

It is a sound theory, but does it absolve each individual practitioner in the field from a responsibility for honesty, accuracy, and adequacy as great as though he were the *only* practitioner in the field? To an individual reader or listener, he well may be.

And now, a final thing the domestic information industry can do. It can help the Department of State work out an American position on freedom of information that can be advanced at international conferences on this subject.

The Assembly of the United Nations at its recent session approved a resolution presented by the Philippine delegation calling for an international conference on freedom of information to be held under United Nations auspices during the year 1947. At this conference it is hoped and expected to have a substantial representation from the information industry. It is also expected that at this conference data will be produced and conclusions reached for the guidance of the United Nations Subcommittee on Freedom of Information and the Press.

In order that the American delegation to this conference may speak and act effectively, it is necessary that representatives of the domestic industry reach some measure of advance agreement, in discussion with government officials, as to what their position will be on the various questions likely to arise at the conference.

To this end, the Department plans to appoint its delegation to this conference, and advisers to the delegation, some months in advance of the conference itself, and to arrange meetings of this group with members of the Department's staff in order to hammer out an agreed American program and approach. I know that many interested persons and groups have wondered how an agreed domestic position on freedom of information would be arrived at. I believe this is the most practicable way of dealing with the problem.

I have spoken at length on what the United Nations, the State Department, and the information industry can and should do to further freedom of information. There is only one category now left out, and that is what the people of this country and their representatives in Congress must do to further freedom of information throughout the world. The answer to this question may seem ob-

(Continued on page 367)

Return of Looted Objects of Art to Countries of Origin

MEMORANDUM BY THE STATE DEPARTMENT MEMBER OF SWNCC¹

The American Commission for the Protection and Salvage of Artistic and Historic Monuments in War Areas (the Roberts Commission) in May made to the State and War Departments certain proposals for the return of cultural objects imported into this country by members of the Armed Forces. The text of the letter from the Secretary-Treasurer of the Commission to the Assistant Secretary of State for Occupied Areas is attached as Appendix "A".

The introduction of looted objects of art into this country is contrary to the general policy of the United States and to the commitments of the United States under the Hague Convention of 1907 and in case of objects of a value of \$5,000 or more is a contravention of Federal law. It is incumbent on this Government, therefore, to exert every reasonable effort to right such wrongs as may be brought to light.

The following program is proposed to that end:

1. The Department of State should send to all museums, libraries, university departments of fine arts, art and antique dealers and auction houses and booksellers a circular of the following content:

- a. The responsibility and the desire of this Government to return to their countries of origin those cultural objects which have been wrongfully taken and brought to the United States during and after the war;

- b. A request that recipients of the circular be vigilant to note objects in that category, when feasible to invite deposit of such objects pending settlement, and to notify the Department of State immediately of any obtainable information concerning such objects.

A copy of a circular sent out some time ago by the Roberts Commission is attached as Appendix "B".

2. The Department of State should address letters to all known holders of such objects who have been unwilling to give them up to the circu-

larized groups formally requesting the surrender of the objects in question.

3. In the case of objects having a value of \$5,000 or more the Department of State should request the Department of Justice to bring suit under the National Stolen Property Act in case a request is not satisfactorily answered.

4. When the ownership of surrendered objects can be easily determined and such objects are known to belong in countries having diplomatic representation in the United States, the Department of State should make arrangements to have the objects in question suitably packed and delivered to the indicated embassy or legation in Washington and receive an authenticated receipt therefor. If there is some question as to ownership or the local mission does not wish to accept responsibility for return of the property, such property shall be returned to the United States Military Government from whose jurisdiction it was removed so that restitution may be made through the usual channels.

5. When surrendered objects are determined to belong in Germany or Austria or Japan or Korea the State Department should make arrangements for suitably packing and delivery to the War Department for transport to United States Military Government authorities in the country of origin. Should conditions obtaining in a given occupied country make it unwise immediately to return a surrendered object, the State Department should ask the National Gallery of Art to assume temporary custody.

6. The expenses of this program should be borne in the following manner:

- a. If the person surrendering a given object acquired it while serving in the Army or under Army jurisdiction, the War Department should defray the necessary costs of return.

- b. If the person surrendering a given object acquired it while serving in the Navy or Marine Corps or Coast Guard or under Navy or Marine Corps or Coast Guard jurisdiction, the Navy Department should defray the necessary costs of return.

¹ State-War-Navy Coordinating Committee. For article on the Committee, see BULLETIN of Nov. 11, 1945, p. 745.

c. Should it be impossible to determine the manner in which a looted cultural object has been brought into the United States the Department of State should meet the costs.

Appendix "A"

THE AMERICAN COMMISSION FOR THE PROTECTION AND SALVAGE OF ARTISTIC AND HISTORIC MONUMENTS IN WAR AREAS

Office of the Secretary, National Gallery of Art,
Washington 25, D.C., May 28, 1946.

General John H. Hilldring, *Assistant Secretary of State for Occupied Areas*, Room 278, Department of State, Washington 25, D.C.

DEAR GENERAL HILLDRING: At this time, the American Commission, anticipating the conclusion of its activities on June 30, 1946, respectfully submits to you the following plan for the return of cultural objects imported into this country by returning members of the Armed Forces. This plan is presented to you after discussion with the members of the American Commission, officials of the National Gallery of Art, and members of the Government Affairs staff of the Civil Affairs Division.

The Commission, to assist in inaugurating a program for the return of such objects to the countries to which they rightfully belong, would write letters to the individuals on the attached list¹ (ten objects or collections reported to the American Commission in the past year), who are the present holders of the objects, instructing them to inform the War Department, Civil Affairs Division, that they are prepared to turn over the material to the local Service Command, together with all information concerning the material, and particularly its destination, if known. The War Department would then instruct the local Service Command to secure the material and give a receipt for it to its present holder. The material would be packed and shipped by the Quartermaster Division. All objects on the attached list do not require special packing. If in the future an object might be reported for return which would require expert advice on packing, a local museum official might be consulted. Museums throughout the country have indicated their willingness to assist by providing the services of their staff members.

All material of German and Japanese origin would go either to the Office of Military Government (U.S.) Economics Division, Monuments, Fine Arts and Archives Section, in Berlin or to General Headquarters, Supreme Commander for the Allied Powers, Civil Information and Educa-

tion Section, in Tokyo, for distribution to the military governments of the areas in which it originated. In cases of material the exact location or origin of which is not known, the offices would hold the material until it could be identified by local scholars and would then send it to its point of origin.

Objects from all other countries would be handled in the same manner as the material from Germany and Japan except that they would be shipped to the American Embassies in each country concerned, and returned to their points of origin through the Embassies.

It is anticipated that possessors of such material, at rather infrequent intervals during the next two years, would take it for advice to local museums, customs authorities, universities, libraries, and dealers. When they are informed that the material is from a museum collection or could be identified as properly belonging in the country of its origin, many possessors, of their own volition, would wish that the material be returned. Therefore, if this plan is approved, the Commission would undertake to circularize all institutions, dealers, etc., likely to receive this material, instructing them to gather all pertinent information on the objects at the time they are received for temporary custody, and to notify the War Department, Civil Affairs Division, requesting further instructions.

A copy of this letter is being presented simultaneously to General Echols, Director, Civil Affairs Division, War Department, for concurrence or suggestions on this plan as it might affect policy or administration.

Sincerely,

HUNTINGTON CAIRNS
Secretary-Treasurer

Appendix "B"

THE AMERICAN COMMISSION FOR THE PROTECTION AND SALVAGE OF ARTISTIC AND HISTORIC MONUMENTS IN WAR AREAS

Office of the Secretary, National Gallery of Art,
Washington 25, D.C.

To Museums, Art and Antique Dealers and Auction Houses:

This Commission has had numerous reports of objects being offered to museums and to the trade by present and former members of the armed forces. Where the source or origin of these ob-

¹ NOTE: List referred to in second paragraph not furnished as a part of this paper.

jects may be obscure or suspicious and where the objects may be of special artistic importance, the Commission would appreciate being informed of the facts with as full and specific information as possible concerning the objects themselves and the circumstances under which they came to your attention.

The above information will be made available to the Customs and the Foreign Funds Control officials in the Treasury Department for their attention and any further investigation that may be required. The source of the information will be treated as confidential.

It is, of course, obvious that no clear title can be passed on objects that have been looted from public or private collections abroad. We believe, therefore, that it is to the advantage of both public institutions and the trade, as well as for the good name of this Government and its armed forces, that any specific examples of looting of works of art or cultural materials be brought to light as soon as possible.

TAX-TREATY NEGOTIATIONS WITH DENMARK

[Released to the press February 11]

A draft convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income has been prepared after discussions in Washington between a delegation of Danish Government officials and officials of the United States Government. The Danish delegation is returning to Denmark.

The subject of estate taxes was discussed, but no draft convention on this subject was prepared.

The discussions were conducted for Denmark by S. Hiort-Lorenzen and E. Thielson, of the Danish Ministry of Finance, and M. J. Clausen, of the Danish Ministry of the Interior, who comprised the Delegation, together with the Counselor of the Danish Legation in Washington, Hans Bertelsen. The United States Delegation was headed by Eldon P. King, Special Deputy Commissioner of Internal Revenue. The Department of State was represented in the discussions by Frederick Livesey, Adviser, Office of Financial and Development Policy, and William V. Whittington, Treaty Adviser, Treaty Branch, Office of the Legal Adviser.

The draft convention relating to income taxes

will be submitted by the negotiators to their respective governments for further consideration, with a view to the eventual signing of the convention if found by the two governments to be satisfactory.

Foreign Commerce Weekly

The following article of interest to readers of the BULLETIN appeared in the February 1 issue of *Foreign Commerce Weekly*, a publication of the Department of Commerce, copies of which may be obtained from the Superintendent of Documents, Government Printing Office, for 15 cents each:

"Swiss Lumber Situation—Struggle Against Shortages", based on reports from the American Consulates in Basel and Bern.

"Pipeline" Contracts—Continued from page 346

to purchase the material as surplus. The payment which has already been made could not be refunded, because it has been deposited into miscellaneous receipts of the Treasury, from which it can presumably be extracted (in response to the inquiry by Senator Thomas) only by Congressional action. Furthermore, as shown in the separate statement already mentioned, the United States Government would suffer a considerable ultimate loss because of the small return that would be likely to be realized, as distinguished from the amount to be paid under the pipeline agreements. It is clear, furthermore, that if, as suggested by Senator Tydings, the foreign governments were asked to pay immediately in cash for goods which the United States has contracted to sell to them on credit terms, they would rather have the material declared surplus, because it might in many instances provide an opportunity to obtain it at a considerable discount. This would be so particularly in the case of goods procured under foreign specifications. Such a result would be of no benefit to the United States.

Since the questions to which the foregoing is intended to provide answers were asked by a number of the members of your Committee, I am furnishing herewith extra copies of this letter for distribution to such other members. If the Committee wishes any further information, I am prepared, of course, to furnish whatever I can.

Sincerely yours,

CHESTER T. LANE,
Lend-Lease Administrator.

Department of State Bulletin

U.S.-Canadian Permanent Joint Board on Defense To Continue Collaboration for Security Purposes

[Released to the press February 12]

Announcement was made in Ottawa and Washington on February 12 of the results of discussions which have taken place in the Permanent Joint Board on Defense on the extent to which the wartime cooperation between the armed forces of the United States and Canada should be maintained in this post-war period. In the interest of efficiency and economy, each Government has decided that its national defense establishment shall, to the extent authorized by law, continue to collaborate for peacetime joint security purposes. The collaboration will necessarily be limited and will be based on the following principles:

1. Interchange of selected individuals so as to increase the familiarity of each country's defense establishment with that of the other country.

2. General cooperation and exchange of observers in connection with exercises and with the development and tests of material of common interest.

3. Encouragement of common designs and standards in arms, equipment, organization, methods of training, and new developments. As certain United Kingdom standards have long been in use in Canada, no radical change is contemplated or practicable and the application of this principle will be gradual.

4. Mutual and reciprocal availability of military, naval, and air facilities in each country; this principle to be applied as may be agreed in specific instances. Reciprocally each country will continue to provide with a minimum of formality for the transit through its territory and its territorial waters of military aircraft and public vessels of the other country.

5. As an underlying principle all cooperative arrangements will be without impairment of the control of either country over all activities in its territory.

While in this, as in many other matters of mutual concern, there is an identity of view and interest between the two countries, the decision of each has been taken independently in continuation

of the practice developed since the establishment of the Joint Defense Board in 1940.¹ No treaty, executive agreement, or contractual obligation has been entered into. Each country will determine the extent of its practical collaboration in respect of each and all of the foregoing principles. Either country may at any time discontinue collaboration on any or all of them. Neither country will take any action inconsistent with the Charter of the United Nations. The Charter remains the cornerstone of the foreign policy of each.

An important element in the decision of each Government to authorize continued collaboration was the conviction on the part of each that in this way their obligations under the Charter of the United Nations for the maintenance of international peace and security could be fulfilled more effectively. Both Governments believe that this decision is a contribution to the stability of the world and to the establishment through the United Nations of an effective system of world-wide security. With this in mind each Government has sent a copy of this statement to the Secretary-General of the United Nations for circulation to all its members.

In August 1940, when the creation of the Board was jointly announced by the late President Roosevelt and Prime Minister King, it was stated that the Board "shall commence immediate studies relating to sea, land, and air problems including personnel and matériel. It will consider in the broad sense the defense of the north half of the Western Hemisphere." In discharging this continuing responsibility the Board's work led to the building up of a pattern of close defense cooperation. The principles announced on February 12 are in continuance of this cooperation. It has been the task of the Governments to assure that the close security relationship between Canada and the United States in North America will in no way impair but on the contrary will strengthen the cooperation of each country within the broader framework of the United Nations.

¹ BULLETIN of Aug. 24, 1940, p. 154. See also BULLETIN of Nov. 8, 1941, p. 360, and Feb. 4, 1945, p. 162.

Extension of the Second War Powers Act

EXCERPTS FROM THE PRESIDENT'S LETTER OF TRANSMITTAL¹

To the Congress of the United States:

During the past 18 months the Nation has almost completed its great task of reconverting from all-out wartime production to a peacetime economy. As reconversion has proceeded, we have found it increasingly possible to dispense with many controls that were essential during active hostilities and immediately thereafter. We can now foresee the day when no further use of these powers will be necessary. But it has become apparent that the effective completion of reconversion will, in a few instances, require the continued use of powers granted by the Second War Powers Act after March 31, 1947, the expiration date of this law.

I stated to the Congress in my recent state of the Union message that after the termination of hostilities was proclaimed on December 31, 1946, there were two groups of temporary laws that still remained, namely, those which were to last during the emergency and those which were to continue until the termination of the war. The study of these two groups of laws is proceeding, and I shall submit recommendations on them in the near future.

This present message is directed solely to the Second War Powers Act because the powers existing under such act expire on March 31, 1947.

Since the fighting ceased, it has been my avowed policy to terminate all emergency controls that were no longer necessary or workable. By November 1946 we had removed all manpower and wage controls and all price ceilings except those on rent, sugar and sirups, and rice. Almost all the priority and allocation regulations based on title III of the Second War Powers Act have been eliminated. As early as last May the Senate Committee on the Judiciary, in reporting out the last extension of the Second War Powers Act, made the following findings in this connection:

The record clearly shows that there has been a rapid lifting of the controls which have been exercised over our economy during the war and a progressive abandonment of the rigid

provisions of the original War Powers Act, evidencing what your committee regards as a sincere purpose and intention by the Office of War Mobilization and Reconversion, by the Civilian Production Administration, and by all the other agencies concerned to return as rapidly as possible to the normal processes of our economy.

The House Committee on the Judiciary in its report also referred favorably to the record of reductions in controls by the Government.

Speedy decontrol under the Second War Powers Act has continued since these reports were made. From a wartime peak of about 700 orders and schedules, the Civilian Production Administration (Office of Temporary Controls) by January 27, 1947, had in effect only 24 orders and 3 schedules, and this number will be still further reduced in the immediate future. The Department of Agriculture had left by January 27 only 19 war food orders, of which 9 are merely administrative or procedural, and still further reductions are planned by the Department between now and March 31. The Office of Defense Transportation has eliminated all but three transportation orders, and the Office of Price Administration (Office of Temporary Controls) now rations only sugar.

After March 31, 1947, moreover, it will be possible to dispense entirely with the use of the broad powers granted by title III of the Second War Powers Act. Thenceforth only a few controls coming under this title will be needed, over a progressively diminishing list of commodities of which the supply is seriously deficient, both domestically and throughout the world, and the affected final products are critically important to industry or the public. Power to allocate under the Second War Powers Act is requested only for the specific cases described in this message and for national emergencies declared by the President.

The few orders that would remain would be limited to clearly manageable controls in an economy freed of most emergency restrictions. They afford positive aids to business and the public which we must not withdraw prematurely, and they assist us in meeting international understandings and obligations.

¹ H. Doc. 80, 80th Cong.

The first area in which I believe continued authority is essential is in connection with foods still in critically short supply throughout the world. I consider that current import and export controls must be kept after March 31 to assure this country a proportionate share of the commodities in which we are deficient while carrying out our international food allocation arrangements. In a subsequent communication to the Congress I shall state whether there will be any need for continuing the Export Control Act beyond June 30, 1947, its present expiration date. We must also continue some controls on domestic use and distribution of grains and grain products, rice, sugar, and edible molasses.

Grain.—World cereal supplies are still far short of essential needs. Stated world import requirements for grain total about 38 million tons. Only about 24 million tons will be available from all exporting countries. This deficit will become most serious in the next few months. The most careful allocation of the available supplies, including those from the United States, which is the largest exporter, will be essential to avoid extreme hardship in the war-devastated countries. The United States has, in addition, a special responsibility in Germany and Japan, where heavy imports are required to maintain food supplies at least at a level sufficient to prevent disease and unrest. If this is not done, our troops would be jeopardized and our policy of encouraging the growth of democracy in these occupied countries would be endangered.

The United States has announced an export goal of at least 10½ million short tons of grain and flour. To reach this target, controls may continue necessary after March 31 to insure the movement of the grain to seaboard and to insure economies in the non-food uses of cereals in this country.

Special controls may also continue to be necessary on rice. World export supplies are even more short than other grains, and the United States has export responsibilities to areas of particular concern to us, such as Puerto Rico, the Philippines, and Cuba.

Sugar and related products.—Because of our heavy dependence on imports, the world shortage of sugar and related products is of outstanding concern to the United States. Total sugar available for shipment to the United States, Canada, and all western European countries in 1947 is ex-

pected to be only about 7½ million tons, compared with average net imports before the war of about 8½ million and 1946 imports of 6¾ million.

The United States will continue to receive its share of these supplies. Our share in past years has been sufficient to permit us to maintain, along with Canada and the United Kingdom, a considerably higher proportion of our prewar consumption than other importing countries. Supplies in 1947 will be larger than in 1946. Nevertheless, 1947 supplies for the United States will still be below prewar per capita supply and even further below estimated demand.

In this situation, both our domestic and international interests require continuation of domestic and import controls over sugar and edible molasses and sirups and import controls only over other sugar-containing products and inedible molasses.

Domestically, unless current controls are continued, there would be inequitable distribution of the limited supply among various users; much sugar would be held for speculative purposes, and it is probable that sugar would go to a greater extent to industrial users, resulting in a lower proportion for household consumers than they now receive.

The cost of sugar used in the United States during 1947 will exceed \$1,000,000,000. Although the extent to which prices would rise under premature decontrol is uncertain, there is grave danger that this cost might multiply several times, with serious results to consumers and sugar-using industries and eventually to sugar producers and refiners similar to those experienced after World War I.

Internationally, decontrol would make it extremely difficult for us to carry out the understanding under which the United States, since 1942, has acted as agent to buy the Cuban export supply for distribution among the importing countries in accordance with the recommendations of the International Emergency Food Council.

Fats and oils.—Fats and oils are among the commodities in shortest world supply. World import demand for the current calendar year amounts to about 6,000,000 short tons, which is almost equal to prewar trade in these commodities. However, only about half of this will be available. The production of coconut and palm oils in many parts of the Far East is still far below prewar levels, and the European production of animal fats is also far below levels of prewar

years. As a consequence, all importing countries are forced to consumption levels of from 75 to 90 percent of their prewar levels. Only by maintaining careful distribution between countries, therefore, will it be possible to avoid serious inequities.

This situation requires the continuation of import and export controls to insure that we and other countries receive a proportionate share of this short world supply.

Other foods.—There are other agricultural commodities over which continued import controls also appear to be necessary as a result of continuing serious world shortages. These controls are necessary to carry out international understandings. The commodities they cover are: Meat and meat products, dairy products, peas and beans, canned fish, and protein foods.

Imported industrial materials.—At the same time, there are other commodities which we import for industrial purposes over which some form of allocation control will be necessary after March 31, 1947. These are cinchona bark and cinchona alkaloids, rubber, manila (abaca) and agave fiber and cordage, tin, and antimony.

Cinchona bark and alkaloids are chiefly supplied by the Netherlands East Indies. Adequate imports from this source are uncertain. The estimated civilian deficiency for the year ending July 1947 is over 3,000,000 ounces of quinine and 70,000 ounces of quinidine. So long as such a shortage continues, the most vital medical uses must be given top priority.

Natural and synthetic rubber.—Natural rubber will probably continue in short supply throughout the world in 1947. At the same time, it is important to the national defense that a minimum synthetic rubber industry be maintained in the United States pending consideration of permanent legislation by the Congress. Consequently, continued allocation control over rubber is necessary.

Manila and other hard cordage fibers are of basic importance, because from them are made rope, binder, baler, and wrapping twines, paper, and padding. The supply in prospect from all sources for the next 12 months is no more than half our annual requirements. The termination of allocation control over manila would seriously impede agricultural and other essential production.

Tin and antimony are also basic materials which

we must import. The supply of tin will not approximate demand until sometime in 1948. In the case of antimony, we must wait for resumption of shipments from China, the primary prewar source. Continued allocation of tin, tin plate and other tin products, and antimony is an important positive aid to our domestic industries and in carrying out our international understandings.

HARRY S. TRUMAN

THE WHITE HOUSE,
January 31, 1947.

Agreements Being Prepared for Exchange of Students With Other Nations

[Released to the press February 14]

Terms of the agreements under which the United States will send American students abroad to study in foreign schools under provisions of the Fulbright act are now being prepared by the Department of State for negotiation with the governments of 15 countries.

The agreements resulting from these negotiations will form the basis for an extensive flow of American students and teachers to the countries involved. The expense of maintaining them in the foreign universities will be borne by funds received from the sale of overseas stocks of United States surplus war property, as provided in the Fulbright act.

More than 900 Americans have indicated a desire to study or teach abroad under the terms of the act, with additional applications arriving daily. The applications cannot be acted upon, however, until the international agreements are concluded.

Exchange-of-students programs form one of the bases of the State Department's plan for worldwide interchange of information, knowledge, and skills through the International Exchange of Persons Division.

The Fulbright act, passed in the 79th Congress, authorizes the Secretary of State "to enter into an executive agreement with any foreign government for the use of currencies, or credits for currencies" acquired by the sale of surplus properties abroad to finance the exchange of students between the United States and other nations.

The act sets a limit of \$20,000,000 in credits or currency to be expended for educational purposes in one country, with an added provision that the amount spent in one country is not to exceed \$1,-000,000 annually unless approved by Congress.

The act authorizes the President to appoint a Board of Foreign Scholarships for the purpose of

selecting American students to attend universities abroad. A further provision establishes priority for veterans of World War I and II in the list of American students selected.

No qualifications have yet been established for Americans who wish to take advantage of the provisions of the act.

Cooperation of the Department and the FBI in Gerhart Eisler Case

[Released to the press February 12]

The attention of the Department of State has been called to certain published stories alleging differences between the Department and the Federal Bureau of Investigation concerning Gerhart Eisler. These stories are false. The fullest cooperation has existed and continues to exist between the Department and the FBI on both sides.

With reference to Mr. Eisler, he applied to the American Consulate General at Marseille, France, on April 15, 1941 for a transit certificate to travel through the United States to Mexico. He was in possession of a Mexican passport, no. 23, dated October 27, 1940 and issued by the Mexican Consulate General at Marseille. He was granted a transit certificate and apparently arrived in New York City June 13, 1941 on the S.S. *Evangeline*. He applied for exit permits in 1942 and 1945, but these were denied by the State Department on security grounds in cooperation with the FBI and the other security agencies of the Government. He again applied in July 1946 for permission to depart from the United States to the Soviet Union with his wife, and tentative permission was granted on July 31, 1946 for such departure. At that time the FBI had Eisler under active investigation and desired to continue its surveillance as it knew that Eisler's departure from the United States was not imminent. The tentative permission granted to Eisler and his wife was made contingent upon Eisler's subsequently informing the Department of the proposed date and place of his sailing.

On October 14, 1946 both the State Department and the FBI, having just learned of Eisler's intention to depart immediately from the United States, held a prompt consultation on the matter, and the Department refused permission for Eisler to board the Soviet vessel *Kozma Minov* on which he was scheduled to sail for the Soviet Union. Under date of October 21, 1946 the Department confirmed its action by a communication sent to

the central office of the Immigration and Naturalization Service at Philadelphia, requesting that Eisler be prevented from departing. Since addressing this communication to the Immigration and Naturalization Service, the Department of State has not been requested by the Department of Justice to take any further action with reference to the Eislers' departure.

Published articles have also referred to one Alfred Kantorowicz, of apparent German nationality, who was identified in these articles as an important Communist. Kantorowicz was granted a transit certificate at the American Consulate General at Marseille on March 7, 1941 for travel through the United States en route to Mexico. He was in possession of Mexican passport no. 7, issued by the Mexican Consulate General at Marseille on September 5, 1940. He apparently arrived in the United States on June 16, 1941 at the port of New York on the S.S. *Borinquen*. After arrival in the United States Kantorowicz and his wife made arrangements to proceed to the American Consulate General at Montreal, Canada, for the purpose of applying for quota immigration visas. The records of the Department show that an immigration visa was authorized for Kantorowicz by the President's Board of Visa Appeals on April 17, 1945 over the repeated objections of the Visa Division and the unanimously unfavorable recommendation of the interdepartmental visa committees on which the State Department and the FBI were represented. The Board was abolished by President Truman on July 1, 1945. Kantorowicz appears to have applied with his wife for German quota immigration visas at Montreal in May 1946 and apparently reentered the United States at Rouses Point, New York, in May 1946 as an immigrant with the privilege of permanent residence.

Kantorowicz and his wife applied on August 12, 1946 for exit permits, stating in their applications that they desired to proceed to Berlin, Germany, via the U.S.S.R. The FBI interposed no objec-

tion to the departure of the aliens, and they were permitted to depart on the S.S. *Marine Flasher*, which sailed from the United States early in December. It is understood that they have arrived in Bremen, Germany. They apparently were repatriated to Germany in accordance with the rules laid down by the occupation authorities and did not actually proceed to the U.S.S.R.

The present exit-permit requirements are as follows: Aliens requiring permits to depart from the United States are those proceeding to areas occupied by the armed forces of this country, and German or Japanese nationals proceeding to any foreign destination. Aliens not falling within the exit-permit requirements may therefore depart without the knowledge of the Department of State.

Reorganization of Research and Intelligence Units

[Released to the press February 10]

A realignment of the intelligence organization within the Department of State is now in process. The administration of all research and intelligence units, including the regional research divisions, is being centered in the Office of the Special Assistant to the Secretary of State, William A. Eddy.

Erratum

In the BULLETIN of November 10, 1946, page 866, the date of the signing of the treaty of friendship, commerce and navigation with China was erroneously given as November 2. The correct date is November 4, 1946. A footnote to the same article referred to Department of State press release 733 of November 4 for the text of the treaty. The correct press release number is 773.

THE CONGRESS

The United States and the United Nations: Message from the President of the United States transmitting his first annual report to the Congress on the activities of the United Nations and the participation of the United States therein. H. Doc. 81, 80th Cong. xi, 221 pp. [Also available as Department of State publication 2735, which may be obtained from the Superintendent of Documents, Government Printing Office, for 45 cents a copy.]

Treaty of Conciliation with the Republic of the Philippines: Message from the President of the United States transmitting the Treaty of Conciliation Between the United States of America and the Republic of the Philippines signed at Manila on November 16, 1946. S. Exec. C, 80th Cong., 1st sess. 4 pp.

THE DEPARTMENT

Appointment of Charles M. Hulten, Harry M. Kurth, Durward V. Sandifer

The Department of State announced on February 4 that Charles M. Hulten has been appointed Deputy Assistant Secretary of State for Administration. Mr. Hulten will act as Mr. Peurifoy's Deputy in all matters relating to the administration of the Department.

For the past three months Mr. Hulten has served as Deputy for the Assistant Secretary of State for public affairs. Prior to that he served as Deputy Director of the Office of International Information and Cultural Affairs.

The Department announced on February 4 the appointment of Harry M. Kurth as Budget Officer and Program Adviser in the Office of the Acting Assistant Secretary of State for Administration.

The Department announced on February 4 the appointment of Durward V. Sandifer as Acting Legislative Counsel for the Department. His office will be attached to that of the Department's legal adviser, Charles Fahy.

As Legislative Counsel Mr. Sandifer will provide legal guidance to various offices and divisions in the Department concerned with legislative action and will assist in the preparation of proposed legislation and coordinate its presentation to the Congress. His office will be responsible within the Department for the coordination of reports, comments, expressions of opinion, and communications to Congress concerning proposed legislation, treaties, and conventions.

Mr. Sandifer has a long background of private and public experience in the field of international law and relations and international organization. He came to the Department of State in 1934 as Assistant to the Legal Adviser. He was assigned to the Department of State's work on post-war problems early in 1942 as a specialist on international law and organization. Since that time he has been closely associated with the Department's work on international organization, particularly the development and establishment of the United Nations. He has been, since 1944, Chief of the Division of International Organization Affairs.

Appointment of Lloyd A. Free as Special Assistant to Director of OIC

Lloyd A. Free, editor of the *Journal of Public Opinion* and member of the faculty of Princeton University, on February 13 joined the staff of the Department of State to work on the Department's program of world-wide freedom of information. Mr. Free will be a special assistant to William T. Stone, Director of the Office of International Information and Cultural Affairs.

Mr. Free's appointment followed the announcement on February 11 by Assistant Secretary Benton, in an address in Chicago, of an expanded program in this field by the Department.¹ Mr. Benton disclosed that the Department is exploring the possibility of a program of bilateral negotiations with foreign countries. Such negotiations, Mr. Benton said, would supplement and strengthen multilateral activities in support of freedom of information by the United Nations and by UNESCO.

Appointment of Officers

Allan Dawson as Chief, Division of Brazilian Affairs, effective February 10, 1947.

Tyler Thompson as Chief, Division of Foreign Service Planning, effective January 20, 1947.

Freedom of Information—Continued from page 357

vious to many, but it is the one one hears least about. And it is extremely important.

The people of this country and their representatives in Congress must understand the many complicated problems that are involved. And then they must cooperate in their solution. They must realize that freedom of information is not something to be obtained by singing hymns to it. It is something that can be worked toward but never attained. It is something towards which progress can be made only by careful analysis, cool, clear-headed thinking, and close cooperation between government, the information industry, and Congress.

Freedom of information is expensive. Not as expensive as a task force of warships, not as expensive as an atom bomb, not as expensive as half a million American lives. It is not even to be compared in expense with these. But it is expensive. Congressional appropriations and laws will be continuously needed. Appropriations will be needed for the State Department's program of in-

ternational information and cultural relations, for the budget of the United Nations, for the budget of UNESCO. Authorization will be needed, and money, to extend our program of scientific and cultural cooperation from Latin America to the rest of the world.

This is an extremely complicated world we live in. It is a world in which freedom is no longer assured by *not* doing things. There are many definite, difficult—and expensive—jobs for us all to do if we are to have freedom of information in this world.

Freedom of information is not an end in itself. It is a means to the end of increasing human understanding. We in America hold that the road of freedom is the safest, surest road to understanding. And we hold that human understanding, everywhere in the world, is the best road to peace. We know how enormously expensive and wasteful war is. Is it not time that we followed our premises to their conclusion: that we began to put into the building of international understanding the time, the money, the energy and the concrete action demanded by the dangerous times we live in?

Arms and Ammunition—Continued from page 328

- p. Ammonal (mixture of ammonium nitrate, trinitrotoluene, and powdered aluminum, with or without other ingredients);
- q. Schneiderite (mixture of ammonium nitrate and dinitronaphthalene, with or without other ingredients).

Effective February 20, 1947, this proclamation shall supersede Proclamation 2549, dated April 9, 1942.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this fourteenth day of February in the year of our [SEAL] Lord nineteen hundred and forty-seven, and of the Independence of the United States of America the one hundred and seventy-first.

HARRY S. TRUMAN

By the President:

G. C. MARSHALL

Secretary of State

¹ Printed in this issue, p. 352.

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Contributors

Marion William Boggs, author of the article on the regulation and reduction of armaments, is a Specialist in the Division of International Organization Affairs, Office of Special Political Affairs, Department of State.

Morse Salisbury, author of the article on the International Emergency Food Council, is Assistant to the Secretary General of the International Emergency Food Council.

Wilbur J. Cohen, author of the article on the meeting of the Medical and Statistical Commissions of the Inter-American Committee on Social Security, is Assistant Director of the Bureau of Research and Statistics, Social Security Administration.

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APR 7 1947

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STATE TRADING AND TOTALITARIAN ECONOMIES

by George C. McGhee

The following article is confined to an objective analysis of state trading and our economic relations with totalitarian systems in their broader aspects; and so far as possible it disassociates these questions from the many other aspects of our relations with the countries involved. The author has attempted to avoid the tendency which many people have of thinking of state trading exclusively in terms of our present economic differences of opinion with the Soviet Union.

State trading may be explained as including any enterprise over whose operations a government exercises effective control in the sense of giving direction. The enterprise may be privately owned and government directed, such as the Chilean nitrate monopoly, or it may be a grouping of private enterprises for the purpose of providing unity of operations, such as the Dutch import monopoly for agricultural products. State trading has both internal and external aspects, both of which concern the United States Government and its nationals engaged in trading. In the case of the Soviet Union, we are concerned almost exclusively with the external aspects of state trading. In other countries, such as Argentina, nationalization of local private industries and assumption of exclusive purchasing of commodities by the government are internal aspects of state trading which are troubling United States nationals engaged in business there.

The principal characteristic of state trading as we see it in this country is that it is not the way we do it. We live and believe in an economy based on free private enterprise. Our Government, with

a few minor exceptions such as the Tennessee Valley Authority, engages in or controls trade only in some unusual circumstance, and then on a strictly temporary basis. Our tradition of free enterprise is a product of our economic heritage and the unusual geographic and economic background of our country. It has become so thoroughly ingrained in our economic thinking that it amounts with us to almost a religion. We believe in it so strongly as a principle that we are perfectly sincere in our conviction that it would be in the best interests of other nations to follow our example. In his speech in Chicago on September 12, 1946, Assistant Secretary Braden reaffirmed the conviction that only true private enterprise would provide the imagination and drive needed to develop an expanding economy.¹

United States foreign policy does not, however, attempt to force our system of trade on any other nation. We could not even if we chose. State trading is for example a natural consequence of

¹ BULLETIN of Sept. 22, 1946, p. 539.

the historical development of Russia. State enterprise was widespread in industry and trade during the era of rigid control under the Tsars, and the Russians could not now change to another basis of international trade without reorganizing their entire internal economic and political structure.

Our national policy is not based on the expectation of eliminating state trading, but on the assumption that all states can conduct their trading in such a manner as will permit the meshing of the two systems, in achieving common objectives, without hardship or discrimination. Cooperation between private and state trading can be achieved if they are both, in certain essential aspects, conducted on the same basis.

The formula as proposed in the preliminary draft charter for the International Trade Organization of the United Nations as adopted in the recent Preparatory Committee Meeting in London provides that the margin between buying and selling to be charged by state enterprises with an import monopoly of a particular product shall be open to negotiation in the same way as tariff rates.² Government export monopolies are, similarly, to negotiate a maximum margin between their domestic buying price and their foreign selling price. The agreed and amended charters both include a general undertaking by all state-trading nations to be guided by commercial criteria, i.e., that they will in making their exclusive purchases or sales of any products be influenced solely by commercial considerations, such as price, quality, marketability, transportation, and other terms of purchase or sale. The United States draft of the charter, not yet agreed by the other nations, calls for a quantitative commitment on the part of the states which have complete state monopolies of foreign trade as to the minimum level of imports from other cooperating nations required to give effectiveness to a most-favored-nation commitment.

Two types of state trading should be differentiated. In certain countries the bulk of trade remains in private hands and state trading is limited to individual products, e.g., the United Kingdom purchases of food, timber, and cotton, the French tobacco monopoly, and the Norwegian grain and wine monopolies. Some of these mon-

nopolies, such as the Czech salt and tobacco monopolies, are traditional and are for fiscal purposes; others, such as the Scandinavian alcohol monopolies, are for reasons of public welfare.

In many cases, however, state trading is an expedient which has been adopted during the recent war and post-war period to overcome difficulties with respect to foreign exchange, to obtain raw materials needed for war industries, and to assure adequate supplies of consumer goods at fair prices. During the war this country, as you know, accepted almost complete Government control over industry. The famous M-63 Order issued by the War Production Board in 1942 gave the Government control over almost all imports. Government corporations such as the Metals Reserve Company, the United States Commercial Company, and the Commodity Credit Corporation engaged on a large scale in business which had formerly been in private hands.

This country is more reluctant than any other to turn trading over to the state. We recognized, however, during the period of emergency created by the war, that this was the only way to organize a unified war effort. As a corollary this country was the first to start divesting itself of Government controls after the war. Since we have not as yet completely discarded these controls, it is only natural that other countries whose post-war economic difficulties have been so much greater than our own must retain controls for a longer period.

The present world-wide trend toward nationalization of industry can also be associated with economic dislocations arising out of the war. In many countries resumption of private trade is handicapped by the intricate problems of ownership created by loss of records and forced transfers. In some countries industries were so badly damaged or their operating capital so exhausted that all initiative in reorganization must, of necessity, come from the state. It would be too optimistic to anticipate that this trend toward nationalization would be reversed with an improvement in world economic conditions; however, it is safe to venture that many nationalization programs and state-trading monopolies will lose favor when the countries concerned are in a stable enough economic position to permit the resumption of profitable private trade.

² Department of State publication 2728, Commercial Policy Series 98.

The second type of state trading is that exemplified by the Union of Soviet Socialist Republics, which is the outstanding, completely state-controlled economy. All foreign trading in Russia was nationalized on April 22, 1918, with the creation of the Foreign Trade Monopoly. During the period of the New Economic Policy, from 1921 to 1928, foreign trade was conducted by a variety of government and cooperative organizations under government regulation. However, since 1928 the government itself has actually conducted all foreign trade, and there is no indication that the U.S.S.R. intends to deviate from this policy.

U.S.S.R. foreign trade is conducted by the Ministry of Foreign Trade and the State Bank through trade agencies and corporations located in the countries involved. Trading in the United States before the war was done exclusively through AMTORG Trading Corporation, which is domiciled in the State of New York. The history of trade between the United States and the U.S.S.R. has not been of a spectacular nature. Prior to the war exports to Russia reached a peak in 1939-40 of \$73,636,000, imports from Russia in the same year aggregating \$24,773,000.

Trade between the two countries was based on a series of trade agreements, starting in 1935. Under these agreements the Soviet Union committed herself to purchase certain minimum quantities of goods in this country each year, first \$30,000,000 and later, in 1937, \$40,000,000. In 1937, the United States gave the Soviet Union unilateral most-favored-nation treatment, recognizing that any most-favored-nation obligation on the part of the Soviet Union at that time had little meaning. The quantitative purchase commitment by the Soviet Union was abandoned in 1942 because of war conditions.

Although under the stimulation of lend-lease exports to the U.S.S.R. greatly increased, reaching \$1,386,000,000 in the period January to June 1945, post lend-lease trade has resumed normal proportions. Imports from the U.S.S.R. were at the rate of approximately \$100,000,000 a year in 1946, and consisted principally of furs, chrome ore, and manganese. Cash sales to the U.S.S.R. during 1946 were about \$50,000,000. From a quantitative standpoint alone, trade with the U.S.S.R. has not played an important role either in the economy of this country or of the world as a whole. In the entire period 1925-37, Soviet foreign trade

amounted to only 1.5 percent of the world total.

Most outside observers have concluded that the U.S.S.R.'s real objective is economic self-sufficiency. She appears to purchase from the outside principally those things which will help her achieve this objective, and exports only when necessary to pay for imports.

The Soviet Union enjoys a good reputation with United States businessmen. Although this Government has requested the Soviet Purchasing Mission to discontinue activities as soon as possible in line with our general policy of discontinuing direct purchasing in the United States by all foreign governments, there has been no question raised with regard to operations of the AMTORG Trading Corporation. AMTORG enjoys certain advantages accruing to any large purchaser, which correspond to advantages enjoyed by our own large corporations many of whose purchases are many times greater than those of AMTORG. AMTORG suffers, however, from the usual disadvantages of large bureaucratic organizations, and from the necessity for referring many decisions to Moscow. Under the present scope of operations, it is not believed that the Soviet state-trading operations in this country constitute a threat to our own internal economic structure.

State-trading operations enjoy considerable advantages in competition with United States business interests abroad, when the state-trading nation is in a position to exert political influence on a third country or to offer it an over-all or long-term economic agreement. In other situations, however, United States private trade possesses distinct advantages over state monopolies in trade with third countries. Venezuela, for example, excluded the Anglo-Iranian Oil Company from taking oil concessions because the company was controlled by the British Government. Many states are not willing to allow their economies to become dominated by trade with the large state-trading nations, because of the control which these nations would have through power to deny sales or markets.

It would be too optimistic to assume that competition with state-trading nations, both in this country and abroad, will not in the future raise serious problems for this country. It would never be conceded, however, that private trade cannot

(Continued on page 387)

THE GENERAL CONFERENCE OF UNESCO, PARIS

The Program of UNESCO

by Herbert J. Abraham

This is the first in a series of three articles that will review the accomplishments of the first meeting of the General Conference of UNESCO and will consider some of the opportunities and problems which this Organization faces. The article below treats of the Conference with special regard to the program of UNESCO which was adopted. The two succeeding articles treat of the machinery through which the program will be put into effect, including the role of the national commissions and UNESCO relations with United Nations.

The General Conference of UNESCO, in session at Paris from November 19 through December 10, 1946, was attended by representatives of 48 states, 30 of which had accepted membership by the close of the Conference, the others being represented by observers. Each member state was entitled to send up to five voting delegates; these were accompanied in some cases by considerably large staffs. The United States Delegation, including alternates, advisers, and technical secretaries of the Delegation, numbered 42. The size of delegations varied considerably, ranging from that of the United Kingdom, slightly larger than the American, to those which consisted of only one delegate.

Accomplishments of the Conference

A considerable volume of work was accomplished in the three weeks of the Conference, a period, it must be remembered, which corresponds to about 10 working days, when allowance is made for the time consumed in interpretation from one to the other of the two working languages—English and French.

The General Conference accomplished two major tasks. (1) The necessary steps were taken to organize UNESCO for action by electing the Executive Board and the Director General; by drawing up financial and administrative regulations; by authorizing a budget; and by making decisions on relations with the United Nations, with other specialized agencies, with international private organizations, and with member states and their national commissions or cooperating bodies. (2) A program of activities was approved that included both the basic continuing program of the Organization and the emergency steps to be taken for assisting in the educational reconstruction and rehabilitation of the devastated countries.

The success of the Conference in disposing of this large mass of business was due in large part to the detailed preparatory work which had been accomplished. A Preparatory Commission had been created at the constituent conference held in London in November 1945 and had been furnished with a Secretariat. The reports of the Preparatory Commission were before the Conference chiefly in two documents: *The Program of*

UNESCO and Report on Administrative and Financial Arrangements, Legal Questions and External Arrangements. These documents were supplemented by special studies, notably *Fundamental Education* and Sir Alfred Zimmern's *Project for a UNESCO Educational Centre*, together with numerous printed and mimeographed monographs on special subjects.

In some cases the actions of the Preparatory Commission were approved without change, as, for example, the draft agreement on the relations between UNESCO and the United Nations. In most cases, the reports were used as the framework of the Commission's actions but with varying degrees of amendment; such was the case with the reports on program and financial regulations.

The Commissions of the Conference

After the opening ceremonies and the addresses in the plenary sessions by heads of delegations, the Conference was organized into three commissions: Program; Educational Reconstruction and Rehabilitation; and Financial, Administrative, Legal, and External Relations. For working purposes, the last was subdivided into two sections that dealt with finance and administration and with other remaining topics. The Program Commission, after one day's meeting, divided into six subcommissions, each of which met for two days.

Educational Reconstruction and Rehabilitation

The findings of the Commission on Reconstruction and Rehabilitation must be noted in connection with the report on program.

UNESCO is not a relief organization. Its funds cannot be expended as subsidies to member states for the rehabilitation of their educational systems. UNESCO has responsibilities, however, for giving whatever assistance it legitimately can to those countries whose educational facilities have been devastated by the war. The Reconstruction and Rehabilitation Commission proposed, and the Conference approved, a five-point program:

(1) UNESCO will conduct a world-wide campaign to encourage governments, national and international voluntary associations, foundations, churches, universities and schools, and individuals to provide money, materials, and services for the necessary tasks of reconstruction and rehabilitation.

(2) UNESCO will publish certain materials of direct value for the use of school administrators and teachers, and assistance will be given in procuring the translation and reproduction of maps, leaflets, and other useful documents.

(3) UNESCO will attempt to discover donors of fellowships and make arrangements for the selection and travel of fellows on a wide basis.

(4) Arrangements will be made, on the invitation of governments and in cooperation with governments and voluntary organizations, for specialists to visit war-torn areas for the purpose of conducting brief practical seminars or workshops.

(5) UNESCO will seek to promote and to secure equitable distribution of a series of youth-service camps in devastated areas for the summer of 1947.

Although these programs are specifically directed to the needs of war-devastated countries, they do not differ in principle from activities of more general application which were adopted as part of the continuing program of UNESCO. They are starting points for such programs as the encouragement of the exchange of persons, facilitating the interchange of books and documents, increasing intercourse among scholars and scientists, and fostering international understanding through participation in international projects. Similarly, many of the specific projects recommended by the Program Commission will find one of their legitimate starting-points in services to war-devastated countries.

The Scope of UNESCO's Program

The purpose of UNESCO is "to contribute to peace and security by promoting collaboration among the nations through education, science and culture." But, as the Chairman of the Drafting Committee of the Program Commission said, "the peace to which reference is made must be interpreted in a positive rather than a negative sense. 'Peace' in this context, in other words, means something more than a mere absence of overt hostilities. It means a condition of solidarity, harmony of purpose, and coordination of activities in which free men and women can live a secure and satisfactory life—a condition in which war is affirmatively prevented by the dynamic and purposeful creation of a decent and human relationship between the peoples of the world—a condition in which the incentives to war are neutralized by the

social, spiritual, and economic advances created and achieved."

This interpretation of the function of UNESCO helps to explain the character of UNESCO's concern with many undertakings in diverse fields. The world cannot become "one" if half of it remains illiterate, or if children are indoctrinated with arrogant dogmas of racism and chauvinism, or if doors are closed to the free circulation of knowledge from land to land. These conceptions underlie and give unity to the program.

The Preparatory Commission had classified proposals for UNESCO's program in six main fields. Three were large categories of intellectual creative activity: natural sciences, social sciences and humanities, and creative arts. The others were viewed primarily as instrumentalities for transmission of knowledge and ideas: education, the media of mass communication, and libraries and museums. Out of the work of committees and the secretariat in each of these six fields had come a plethora of proposals. Many had been discarded, but the residue presented to the General Conference still afforded a superfluity of commendable enterprises. The number was not substantially reduced by the subcommissions, although many changes were made in emphasis and dimensions.

The reports of the subcommissions are themselves so condensed that no summary of them can be adequate. Some illustrations from each field will suggest the variety of the program.

First it may be noted that in all fields UNESCO is asked to furnish services which will facilitate international cooperation. For example, UNESCO will publish international bulletins and yearbooks, where a demonstrated need for them exists; will serve as a clearing-house for information; will serve as a center for promoting the international interchange of persons; and will furnish administrative services in some cases to international private organizations.

In its program of fundamental education UNESCO will furnish expert knowledge and assistance in spearheading a world-wide campaign to establish minimal standards of education. Other educational projects include a world-wide study of textbooks and other educational materials, with a view to promoting improvement in education for international understanding.

Committees will be appointed to survey the whole field of mass communication, to develop

program suggestions for use on radio networks and in films, and to examine proposals for a world-wide radio network. UNESCO will promote the free flow of information and ideas by various procedures: by cooperation with the United Nations Sub-Commission on Freedom of Information; by studies of copyright; and by submitting to governments a convention, approved by the Conference, to facilitate the international circulation of visual and auditory materials of an educational, scientific, and cultural character.

Projects in the field of libraries and museums involve the increased circulation of books, museum materials, scientific materials, and works of art. UNESCO will promote exchanges and loans wherever possible and will stimulate the setting up of cultural institutions in parts of the world where they do not exist. One phase of this activity is the plan to establish an international inter-library loan system.

In the scientific field, UNESCO will undertake a project to study conditions of life in the equatorial forest zones, with the end goal of making this vast belt around the globe productive and beneficial for mankind. Already several nations have conducted unrelated researches on this subject. In 1947 UNESCO will sponsor a coordinated international project in the region of South America called the Hylean Amazon.

Teams will also be sent out to those regions where malnutrition has chronically existed to study methods of improving food standards and to aid the local governments in their efforts in this field.

UNESCO will enlist the efforts of the world's experts in the social sciences in a project entitled "A Study of Tensions Conducive to War". This program will include an analysis of nationalism and internationalism as they relate to the fundamental issue of peace and war, a study of population and racial relations, and a study of the effect of technological progress on the well-being of peoples.

UNESCO will also stimulate the philosophical examination of the fundamental problem of finding common ideological ground on which men of all creeds and political persuasions may think and work together.

In the field of the creative arts, the Conference declared that UNESCO "will take such measures as are open to it under its constitution to protect

and defend the freedom of the artist wherever it is put in danger." Projects in the arts include a study of ways in which conditions affecting the livelihood and creative work of the artist can be improved, and the stimulation of the establishment of an international theater institute.

The "Commentary" on the Program

The program produced by the simple addition of the reports of the six subcommissions presents an appearance of vastness and diffuseness. By one manner of counting, well over 100 projects are included. Read in succession, they sometimes seem to leap from the grandiose to the trivial. They seem to lack common direction. This impression is caused in part by defects in the planning and organization of the reports. No common plan was adopted. For example, the report on libraries and museums opens with a section on the immediate needs in educational reconstruction; that on natural sciences consists of several sets of "resolutions and directives", many referring to other documents; the education report is presented under a few heads of main objectives; the social-sciences report is like a series of distinct projects. Adoption of any single scheme of organization would have given a better impression of coherence. The reports would still be open to criticism, however. There was in some cases a tendency to include the various "favorite projects" of the secretariat or of delegations and to build up the size and importance of a special field.

The program reflects, perhaps, a certain intractable variety in the educational, scientific, and cultural activities of mankind, a variety not necessarily anarchical because it seems disorderly. Nonetheless, it was generally agreed that it should be better integrated, simplified, and condensed. This was, so to speak, the general will of the Conference, resisting the dispersive tendencies to which individuals succumbed in the smaller groups. The American Delegation took the lead in pressing this view. On their initiative, the Program Commission at its first plenary session issued an instruction to the subcommissions that they should apply certain criteria for the selection of proposals. These criteria would include reference to the purpose of the Organization, the coherence of the program, its financial feasibility in terms of staff, and the appropriateness of a given project to the end in view. The instruction stated

that projects "should be few in number and should involve, at least in the first year, crucially important and obviously useful undertakings."

These instructions were, evidently, interpreted with some latitude. Accordingly, at the final session of the Program Commission it was decided to appoint a drafting committee to develop a unified program out of the reports of the subcommissions. The chairman of the drafting committee, Archibald MacLeish, presented to the Conference in plenary session a report under the title *Commentary on the Program*.

The commentary proposed that UNESCO be recognized as having a threefold function with respect to men's knowledge of themselves, their world, and each other: to increase, to preserve, and to disseminate. So far as the tasks of educational rehabilitation were concerned, there must be emphasis on *preservation*; but in view of UNESCO's primary purpose of contributing to peace and welfare the most important function lies in *dissemination*. Certain major projects for the *increase* of knowledge, however, must also be undertaken. With these considerations in mind, a comparatively short list of major projects should be given priority. These projects are substantially those which have been cited above as illustrations of the program.

Status of the Program

The Conference adopted the commentary presented by Mr. MacLeish by acclamation and therewith the reports of the subcommissions which were attached to it. The somewhat informal action of the plenary session left it in some doubt whether the commentary was to be regarded as the final report, with the reports having the status of appendixes of source material; or whether the reports are each binding in their fields, with the commentary a gloss upon them.

This ambiguous action, if perplexing and a little exasperating, was perhaps in fact a happy if unintended solution of a difficult problem. It carried the decision on program as far as the Conference was competent to go. UNESCO is a difficult new enterprise in international cooperation. Time must elapse before there can be a meeting of minds on propositions which may seem self-evident to some and novel to others. Within the subcommission, this harmony was to a considerable degree

(Continued on page 398)

THE BACKGROUND AND PRESENT STATUS OF THE INTER-AMERICAN COFFEE AGREEMENT

by John K. Havemeyer

The Inter-American Coffee Agreement, which will expire on September 30, 1947, will be reviewed by coffee experts for future recommendations. The following article discusses the significance of coffee in international relations and traces the steps taken by producing and consuming countries for effecting solutions to problems that have developed over the past few years.

Coffee has been among the first three commodities, by value, imported into the United States for the past 18 years. During the year 1946 the value of the green coffee imported into the United States was 468 million dollars. This amount, plus the costs of processing and marketing and expenditures in allied industries, makes coffee one of the major commodities—domestic or foreign—in the trade of this country.

Coffee provides for the producing countries which supply the United States a large quantity of dollar exchange for purchase of United States goods and services. In many of these countries coffee is the dominant source of external credit. The prosperity of their economies is therefore highly dependent on coffee.

The table below indicates both a marked increase in coffee consumption in the United States between 1930 and 1945 and the predominant position of this country in the world market. Accurate data for the countries outside of the Western Hemisphere, in many cases, are not available for the years 1940 through 1945.

During the periods cited in the table below the United States imported more than 95 percent of its coffee from the other American republics, and only small quantities from the Netherlands East Indies, British East Africa, and other areas.

NET IMPORTS OF GREEN COFFEE INTO WORLD MARKETS

Year	Annual average in millions of 60-kilo bags		U. S. % of world imports	% U. S. incr. over 1930-34 average
	World	U. S.		
1930-34-----	25. 1	12. 0	47. 9	-----
1935-39-----	27. 6	13. 9	50. 4	15. 5
1940-44-----	20. 3	16. 4	80. 7	36. 2
1945-----	26. 3	20. 5	78. 1	70. 7

During the 10 years prior to World War II overproduction of coffee resulted in depressed conditions throughout the industry and caused the coffee producers in this hemisphere to meet for discussion of this problem, first in Colombia in October 1936 and again in Cuba in August 1937. The first conference created the Pan American Coffee Bureau and authorized it to administer a campaign to promote coffee consumption. Then came the war in Europe in 1939 and virtual loss of the European market, which had been annually absorbing approximately 9 million bags of Western Hemisphere coffee, or 38 percent of the annual exports of the other American republics.

Confronted by these conditions, worse than any before experienced by the American coffee-producing countries, the third Pan American

Coffee Conference was called in New York in June 1940. The delegates to this conference concluded that the cooperation of the United States Government would be required to ameliorate the conditions then prevailing and addressed a letter to the Department of State on June 24, 1940 requesting the aid of the United States in working out a plan of control over the production and marketing of coffee to protect the interests of both consumers and producers.

At the same time that the coffee producers were endeavoring to solve the problem of overproduction, the United States Government was meeting with the governments of the other American republics to discuss Western Hemisphere cooperation.

The Inter-American Conference for the Maintenance of Peace held at Buenos Aires in 1936 had established a consultative procedure of which the American states might avail themselves in time of emergency. The same body, meeting again in Lima in 1938, elaborated the procedure further by providing that Foreign Ministers of the American Republics should meet for purposes of consultation whenever the peace and security of the Western Hemisphere might be endangered. The first meeting to be called in pursuance of this provision was convened September 23, 1939 at Panama, and on October 3 it approved a resolution of economic cooperation. Pursuant to this resolution an Inter-American Financial and Economic Advisory Committee was constituted in November 1939, which was to meet regularly under the auspices of the Pan American Union and consider, among other subjects, economic problems of common interest.

The next meeting of Foreign Ministers was convened in July 1940 at Habana. At this meeting a resolution on economic and financial cooperation was approved which further expanded and strengthened the resolution approved on October 3, 1939. With this procedure set up, negotiations were begun for the creation of an Inter-American Coffee Agreement, which was later signed by 14 American coffee-producing countries and by the United States on November 28, 1940. It was approved by the Senate on February 3, 1941 and ratified by the President on February 12, 1941. Subsequently a bill to implement the agreement was passed by Congress and signed by the President on April 11, 1941, providing (1) that no coffee

imported from any foreign country might be entered for consumption into the United States except as provided by the Inter-American Coffee Agreement, and (2) that the President might make allocations of the quota provided in the agreement for countries not participating in the agreement.

The Inter-American Coffee Agreement provides for a board to administer the provisions of the agreement, consisting of one delegate from each participating country. Each delegate has 1 vote except the United States, which has 12, Brazil 9, and Colombia, 3. The voting strength of the United States delegate is strong enough to protect the consuming interest of this country, especially since an increase in the quotas to any extent necessary to meet an imminent shortage of coffee in the United States could be effected by 12 votes, as an emergency measure.

The most important feature of the agreement was the basic export quotas established for each coffee-producing country participating in the agreement. One set of quotas covered coffee for export to the United States and a second set covered coffee for export to markets outside of the United States from each producing country participating in the agreement. In addition, an over-all quota was established for imports of coffee into the United States from non-participating countries. The total of the basic quotas of all producing countries for import into the United States was 15,900,000 bags of 60 kilograms each. Provision was made for adjustment in the quotas by the Inter-American Coffee Board under certain specified conditions. The adjustment of quotas was the major business of the board until quota restrictions were suspended on October 1, 1945.

Adjustments of the basic quotas were made for various reasons, the more important being: (1) impending shortage of coffee in the United States, and (2) dislocations in shipping which interfered with the transport of coffee to the United States.

The Inter-American Coffee Agreement was initially established for a period of approximately three years, but provision was made in the agreement for its extension by resolution of the board, provided that each participating government should signify its acceptance of the board's recommendation. The agreement was twice extended without alteration for periods of one year each. However, when extension was again considered in

1945, after termination of the war, questions were raised regarding whether the basic conditions which prompted the formation of the agreement had not altered. The board recommended that certain modifications be made in the agreement. These modifications were essentially (1) the suspension of quotas, and (2) the provision that the board should make a thorough study of the world coffee situation, to serve as a basis for decision by the member governments regarding the desirability of continuing the agreement in revised form. Any new agreement would be for the purpose of contributing to the development of a sound, prosperous international trade in coffee on terms equitable to both consumers and producers. If the agreement were to be revised, it would take into account any general principles of commodity policy embodied in any agreement which may be concluded under the auspices of the United Nations.

Data required for the coffee study have been submitted by the member governments and are being analyzed by a subcommission of the board. In view of the impossibility of completing the analysis prior to September 30, 1946, the board adopted a resolution at its meeting on August 16, 1946 providing that the agreement should be extended for one year from October 1, 1946 and stipulating that the study should be completed by March 31, 1947. This should permit the board and the interested governments sufficient time to consider and pass on the question of the future of the agreement prior to its present termination date on September 30, 1947.

In addition to the problems involved in the adjustments of quotas the board has considered a number of other problems including wartime controls of shipping, prices, and trade as they relate to coffee.

The expected relationship between the future supply of coffee and the demand for it will be a major factor to be considered by the board in making its recommendations. An appreciable change has taken place in the coffee supply-demand picture since the agreement was negotiated in 1940.

The two principal causes for this change are the decline of production in Brazil and the large increase of consumption in the United States. In

the 10 years prior to 1941, Brazil's annual average production was 22.5 million bags of 60 kilograms each, or more than 60 percent of the world supply. Brazil's annual average production for the years 1941 through 1945 fell to 13.2 million bags. The reduction was caused by adverse weather conditions, aging trees, competition of other crops for the land, and soil exhaustion.

In addition the production of coffee in the Netherlands East Indies, third largest producer before the war, has decreased sharply because of the war damage in that area. Production in Colombia, the world's second largest producer, has advanced slowly but does not offset the loss of production in Brazil. In the aggregate, total exportable production in other areas of the world has remained relatively stable. A material increase in world production does not appear possible in the next five years, since new plantings could not come into production before that time.

The increased consumption of coffee in the United States and the gradual return of the demand in the European market are two factors which, combined with the production decrease, have brought the coffee supply and demand to a near balance.

The Inter-American Coffee Agreement helped prevent, during the years of the recent war, deterioration in the economies of the other American republics, a factor important to our mutual political and economic relations. In making its recommendations as to the future of the agreement the board will, of course, take this fact into account.

The recommendations which the board might make include, but are not limited to, the following: (1) the continuance of the present arrangement, with the quotas inoperative but with the Board operating in a consultative capacity; (2) an agreement which would expand the membership to include producing and consuming countries of the Eastern Hemisphere; (3) substitution for the present agreement of a Coffee Study Group operating in accordance with the charter of the proposed International Trade Organization; or (4) discontinuance of the agreement on its present expiration date, September 30, 1947.

Protocol Concerning the International Office of Public Health¹

PRESIDENT'S LETTER OF TRANSMITTAL

THE WHITE HOUSE,
February 10, 1947.

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of a protocol concerning the Office International d'Hygiène publique, signed at New York on July 22, 1946.

The protocol provides for the termination of the Rome agreement of 1907 (the arrangement for the establishment of the International Office of Public

Health signed at Rome on December 9, 1907), and for the transfer of the duties and functions of the International Office of Public Health to the World Health Organization, or its Interim Commission.

I also transmit herewith, for the information of the Senate, the report of the Secretary of State with respect to the protocol.

HARRY S. TRUMAN

(Enclosures: (1) Report of the Secretary of State; (2) certified copy of the protocol concerning the Office International d'Hygiène publique, signed at New York on July 22, 1946.²)

REPORT OF THE SECRETARY OF STATE

DEPARTMENT OF STATE,
Washington, February 7, 1947.

The PRESIDENT,
The White House.

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a certified copy of a protocol concerning the Office International d'Hygiène publique, signed at New York on July 22, 1946.

The protocol provides for the termination of the Rome agreement of 1907 (the arrangement for the establishment of the International Office of Public Health signed at Rome on December 9, 1907), and for the transfer of the duties and functions of the International Office of Public Health to the World Health Organization, or its Interim Commission. The protocol was signed in the English, French, Chinese, Russian, and Spanish languages by plenipotentiaries of the United States of America (with a reservation "subject to approval") and a number of other countries. According to information received by this Government from the Secretary-General of the United Nations, the depositary of the present protocol, nine of the countries parties to the Rome agreement of 1907 have already accepted the protocol,

namely, Bolivia, Bulgaria, Canada, New Zealand, Poland, Saudi Arabia, Turkey, the Union of Soviet Socialist Republics, and the United Kingdom of Great Britain and Northern Ireland.

In the period between the World Wars there existed two official international health agencies of world scope, the Health Organization of the League of Nations and the International Office of Public Health at Paris. The latter organization was established and maintained in accordance with the arrangement for that purpose signed at Rome on December 9, 1907 (Treaty Series 511). The United States became a party to that arrangement by the deposit of its instrument of ratification with the Italian Government on August 1, 1908. Under the provisions of that arrangement, and those of the international sanitary convention signed at Paris on June 21, 1926 (Treaty Series 762), the international sanitary convention for aerial navigation signed at The Hague on April 12, 1933 (Treaty Series 901), both of which are in force between the United States and a large number of other countries, and certain other international agreements, the International Office of Public Health was responsible for the receipt of

¹ S. Exec. D, 80th Cong., 1st sess.

² Protocol not printed.

epidemiological information and for its distribution to the principal public health authorities of the participating governments, and for certain other administrative duties in relation thereto.

A third organization entered the international health field through the necessities of war. Since the International Office of Public Health could not perform effectively, from its European base, the international exchange of epidemiological information, the international sanitary convention, 1944, modifying the international sanitary convention of June 21, 1926 (Treaty Series 991), and the international sanitary convention for aerial navigation, 1944, modifying the international sanitary convention for aerial navigation of April 12, 1933 (Treaty Series 992), were drawn up and signed by a certain number of countries, members of the United Nations Relief and Rehabilitation Administration (UNRRA), giving that organization the authority and responsibility to carry on this important work. Protocols prolonging the 1944 conventions were opened for signature on April 23, 1946, and entered into force on April 30, 1946 (Treaties and Other International Acts Series 1551 and 1552). Article II of each of those protocols provided for the continuation of the performance by UNRRA of the duties and functions assigned to it by the 1944 conventions to which the particular protocol related, but only until such time as a new international health organization should be established. In the event a new international health organization had not been formed, or, having been formed, was unable to perform the above duties and functions by the date UNRRA terminated its activities, the duties and functions were to be entrusted to the International Office of Public Health. The United States is a party to both of the 1944 conventions and to protocols prolonging those conventions.

The end of the war found a strong movement under way for the establishment of a new international health organization which would be effective and broad enough in its scope to cover adequately the field of international public health and, particularly, to deal with the problems created by the swiftness of modern transportation and the progress of modern scientific knowledge. The desire for the realization of that objective did not mean that there was not clearly realized the importance of the epidemiological work of the International Office of Public Health as well as of that

carried on by UNRRA, and the need of continuation of such work without interruption. It was felt, however, that that work should go on as part of the functions of a single international public health organization within the framework of the United Nations.

In 1945 and early 1946 the Department of State and the United States Public Health Service prepared a draft of a constitution for a projected international health organization. The Department of State convened on October 11 and 12, 1945, an advisory health group, composed of national leaders in health and civic affairs, which studied and amended the above-mentioned draft and adopted a resolution strongly urging early action in the establishment of an international health organization. The Senate on December 20, 1945, adopted unanimously Senate Joint Resolution No. 89, requesting the President to urge upon the United Nations the prompt convening of an international health conference and the formation of an international health organization. On February 15, 1946, the Economic and Social Council of the United Nations adopted a resolution calling for the early formation of a single international health organization of the United Nations and instructing the Secretary-General to convene for that purpose the International Health Conference not later than June 20, 1946.

The International Health Conference met in the city of New York from June 19 to July 22, 1946. At that Conference advantage was taken of the opportunity to lay the foundation for a single international health organization, an opportunity which had been missed in an earlier era. The constitution of a World Health Organization was adopted and signed by representatives of 61 nations, and provision was made for continuing the work of existing international health agencies pending their absorption by the World Health Organization. An Interim Commission, consisting of the representatives of 18 Governments, was established to carry on necessary international health work pending the acceptance of the constitution by a sufficient number of members of the United Nations to bring into existence the World Health Organization.

In its final act the International Health Conference incorporated a resolution, requesting the United Nations to transfer as soon as possible to the World Health Organization or its Interim

Commission the duties and functions of the Health Organization of the League of Nations, which had been taken over by the United Nations. Provision was made by the Conference in the arrangement establishing the Interim Commission for that Commission to assume the duties and functions assigned to UNRRA by the international sanitary conventions of 1944. Because of its unique status, as defined in the Rome agreement of 1907, the dissolution of the International Office of Public Health and the transfer of its functions to the World Health Organization presented a more difficult problem.

Under the terms of article 8 of the Rome agreement of 1907, each State had the right to withdraw from the Office at the end of each period of 7 years, providing a year's notice is given as set forth in that article. The present 7-year period, however, does not end until November 15, 1950. Also, the functioning of the international health machinery is based on the sanitary conventions which have been accepted by the great majority of countries and which contain important provisions dealing with the role of the International Public Health Office in the application of those conventions. It was of first importance for world public health that the continuous functioning of this system should not be disturbed. It was necessary, therefore, to seek a solution which would permit the rapid establishment of a single world health organization and at the same time would not interrupt the efficient working of the international health services and the flow of epidemiological information.

The Technical Preparatory Committee of the World Health Conference recommended, accordingly, that the Office should be absorbed by the proposed new Organization and suggested to the Economic and Social Council of the United Nations that invitations to the Conference include a request that States empower their delegates to the Conference to take appropriate action to effect such absorption. As a result the delegations were, in general, empowered to take such action. A draft protocol designed to accomplish the absorption of the Office by the World Health Organization was presented to the Conference by the United States Delegation and, with slight modifications, was adopted by the Conference and signed concurrently with the constitution. It is this protocol of which a certified copy is enclosed herewith.

In article 1 of the protocol the signatory Gov-

ernments agree that, as between themselves, the duties and functions of the Office as defined in the agreement signed at Rome on December 9, 1907, shall be performed by the World Health Organization or its Interim Commission, and that, subject to existing international obligations, they will take the necessary steps to accomplish such purpose.

In article 2 the parties to the protocol further agree that, as between themselves, the duties and functions conferred upon the Office by certain international agreements enumerated in an annex to the protocol shall be performed by the Organization or its Interim Commission. Of the conventions and agreements listed in the annex, the United States is a party to those numbered in that annex as 1, 3, 4, 5, 6, 7, and 10.

Article 3 provides that the agreement of 1907 shall be terminated and the Office dissolved when all parties to the agreement have agreed to its termination. It is also provided in article 3 that any government party to the agreement of 1907, by becoming a party to the protocol has agreed to the termination of the agreement of 1907.

Article 4 provides that in the event that all the parties to the agreement of 1907 have not agreed to its termination by November 15, 1949, the parties to the protocol will then, in accordance with article 8 thereof, denounce the agreement of 1907.

Articles 5, 6, and 7 are formal in their character. They relate to acceptance of the protocol, accession thereto, and entry into force. In accordance with the provisions of article 5, any government a party to the agreement of 1907 and not a signatory to this protocol may at any time accept it by sending an instrument of acceptance to the Secretary-General of the United Nations. Article 6 provides that governments may become parties to the protocol by (a) signature without reservation as to approval, (b) signature subject to approval followed by acceptance, or (c) acceptance. It is provided in article 7 that the protocol shall come into force when 20 governments parties to the agreement of 1907 become parties to the present protocol.

Respectfully submitted.

G. C. MARSHALL

(Enclosure: Certified copy of the protocol concerning the Office International d'Hygiène publique, signed at New York on July 22, 1946.¹)

¹ Not printed.

One Year of Progress in World Health Cooperation¹

Marked advances toward world cooperation in public health have been made in the last 12 months, according to a progress report issued on February 15 by the World Health Organization Interim Commission.

The report of progress, issued one year from the day the United Nations Economic and Social Council directed the Secretary-General to call an international health conference, was made public by Dr. Frank Calderone, Director of Headquarters Office of the WHO Interim Commission.

Since that action, February 15, 1946, the following steps have taken place, according to the progress report:

1. Convening of the International Health Conference in New York and adoption by the conference of the World Health Organization constitution.

2. Establishment of an Interim Commission for the purpose of carrying forward pressing international public-health duties and rendering emergency assistance to national health services in certain war-devastated countries.

The Interim Commission is composed of 18 member states, which represent the interests of all the states signing the constitution.

3. Election by the Interim Commission of Dr. Andrija Stampar of Yugoslavia as permanent chairman and of Dr. G. B. Chisholm of Canada as executive secretary.

4. Establishment of world headquarters of the Interim Commission in New York and a technical office in Geneva, Switzerland.

5. Coordination of the administration and enforcement of a series of international agreements

and sanitary conventions formerly under the jurisdiction of the United Nations Relief and Rehabilitation Administration and the Office International d'Hygiène publique of Paris.

6. Transfer to the WHO Interim Commission of the health functions of the League of Nations. These include the international machinery for the standardization of biological products and the maintenance of an intelligence service for reporting incidence of and deaths from various epidemic diseases.

7. Transfer from UNRRA of an epidemiological information service and consolidation with similar technical work in Geneva.

8. Transfer from UNRRA of emergency field assistance in certain areas, particularly of malaria and tuberculosis programs in Greece and activities of a medical mission in Ethiopia. Duties incident to a scholarship program in Europe were also transferred from UNRRA.

9. Authorization of six expert or technical committees including those dealing with yellow fever, malaria, narcotic drugs, and other subjects of primary importance in the field of public health.

10. Institution of a scholarship and fellowship program whereby graduate students and advanced specialists in public health, medicine, sanitary engineering, and public-health nursing will study in the United States, Canada, and other countries.

Appointment of Byron Price as Assistant Secretary-General of U. N.

STATEMENT BY THE SECRETARY OF STATE

[Released to the press February 19]

I have just been informed that Mr. Byron Price has been selected by Mr. Trygve Lie, Secretary-General of the United Nations, as Assistant Secretary-General in Charge of Administration.

Mr. Price will bring to this important international position the high qualities of judgment and leadership he has displayed during his wide experience in private life and as Director of Censorship for the United States during the war.

¹This summary was received on Feb. 14 at United Nations headquarters from WHO, New York, N. Y., and was released to the press by the United Nations on Feb. 15. Copies of the full report are available in the Press Division of the United Nations, Lake Success, N. Y. For report of the American Delegation to the International Health Conference, New York, N. Y., June 19-July 22, 1946, see Department of State publication 2703. See also BULLETIN of Aug. 4, 1946, p. 211; Sept. 8, 1946, p. 453; Nov. 10, 1946, p. 842; Dec. 22, 1946, p. 1134, and Feb. 23, 1947, p. 332.

Summary Statement by the Secretary-General

MATTERS OF WHICH THE SECURITY COUNCIL IS SEIZED AND THE STAGE REACHED IN THEIR CONSIDERATION¹

2. *Special Agreements Under Article 43 of the Charter and the Organization of the United Nations Armed Force*

At the one hundred and fiftieth meeting on 13 February 1947, in the resolution (document S/268/Rev. 1/Corr. 1) concerning the implementation of the resolutions of the General Assembly regarding the Principles Governing the General Regulation and Reduction of Armaments and Information on Armed Forces of the United Nations, the Council requested the Military Staff Committee to submit, as soon as possible, and as a matter of urgency, the recommendations for which it had been asked by the Security Council on 16 February 1946 in pursuance of Article 43 of the Charter, and as a first step, to submit to the Security Council not later than 30 April 1947, its recommendations with regard to the basic principles which would govern the organization of the United Nations Armed Force.

7. *The Greek Question*

At the eighty-third and eighty-fourth meetings on 12 and 16 December 1946, the Representatives of Greece, Yugoslavia, Albania and Bulgaria took seats at the Council table and made statements. The Council then adopted a proposal of the President that the Representatives of Albania and Bulgaria be invited to participate without vote in further discussion of this question as soon as their Governments had informed the Secretary-General of their acceptance for this case of the obligations for pacific settlement provided in the Charter.

Discussion of this question continued at the eighty-fifth, eighty-sixth and eighty-seventh meetings on 18 and 19 December 1946, with the Representatives of Greece, Yugoslavia, Albania and Bulgaria participating. The Council unanimously adopted a resolution (Annex B to document S/PV/87) establishing a Commission of In-

vestigation to be composed of a representative of each of the members of the Security Council as it would be constituted in 1947, for the purpose of ascertaining the facts relating to the alleged border violations along the frontier between Greece on the one hand, and Albania, Bulgaria and Yugoslavia on the other. The Commission was instructed to submit its report at the earliest possible date, and has been meeting in the area since 30 January.

By cablegram dated 6 February 1947 (document S/266) the Secretary of the Commission informed the Council that with the approval of the Commission an informal approach was made to the Greek Government to postpone the execution of fourteen persons sentenced to death by Greek Military Tribunals. The Commission requested that the Council deal with this matter immediately and inform the Commission whether its action in requesting the Greek Government to postpone the executions to be carried out for political offences was covered by the terms of reference of the resolution adopted by the Security Council on 19 December 1946.

By letter dated 7 February 1947 (document S/271) the Representative of Greece to the United Nations stated that the Greek Government had directed him to lodge the most emphatic protest in regard to the interference of the Commission of Investigation in the domestic affairs of his country, contrary to Article 2, paragraph 7 of the Charter of the United Nations and the terms of reference of the Commission. Additional information was given in letters dated 9 February (documents S/272 and S/273).

The Council considered these communications at its one-hundredth and one-hundred and first meetings. On 10 February 1947, the Council

¹ Security Council document S/279, Feb. 14, 1947. This summary supplements the one printed in BULLETIN of Sept. 22, 1946, p. 528; Oct. 13, 1946, p. 660; Dec. 29, 1946, p. 1172; Jan. 19, 1947, p. 114; and Feb. 2, 1947, p. 196. The omitted parts correspond substantially to the material formerly printed.

adopted a resolution submitted by the Representative of the United States providing that it was the sense of the Security Council that the Commission was not empowered to request the appropriate authorities of Greece, Albania, Bulgaria and Yugoslavia to postpone the execution of any persons sentenced to death unless the Commission had reason to believe that the examination of any such person as a witness would assist the Commission in its work.

8. *The General Regulation and Reduction of Armaments and Information on Armed Forces of the United Nations*

Discussion was resumed at the ninety-eighth and ninety-ninth meetings on 4 February 1947. A new draft resolution was submitted by the Representative of the United States (document S/264). The Council agreed that the authors of the various draft resolutions would meet unofficially with the President to try to work out a common text upon which unanimous agreement of the Council could be obtained.

The draft resolution resulting from the consultation of the President with the authors of the previous draft resolutions (document S/268), was discussed at the one-hundred and second, third, fourth, and fifth meetings on 11, 12, and 13 February 1947. The Security Council resolved (document S/268/Rev. 1/Corr. 1)

1. To work out practical measures for giving effect to the resolutions of the General Assembly of 14 December 1946, regarding the principles Governing the General Regulation and Reduction of Armaments and Information on Armed Forces of the United Nations.

2. To consider as soon as possible the report of the Atomic Energy Commission.

3. To set up a Commission for Conventional Armaments to be composed of representatives of the members of the Security Council.

4. To request the Military Staff Committee to submit as soon as possible the recommendations for which it had been asked in pursuance of Article 43 of the Charter and not later than 30 April 1947, its recommendations with regard to the basic principles which should govern the organization of the United Nations Armed Force.

9. *The First Report of the Atomic Energy Commission*

By letter dated 31 December 1946 (document S/239), the Chairman of the Atomic Energy Commission transmitted to the Security Council the First Report of the Atomic Energy Commission. By letter dated 8 January 1947 (document S/242) the Canadian Representative on the Atomic Energy Commission informed the President of the Security Council that Canada desired to participate in the Security Council's discussion of the Report of the Atomic Energy Commission in accordance with Article 31 of the Charter.

Discussion of the Report was commenced at the one hundred and fifth meeting of the Council on 13 February 1947 and continued at the one hundred and sixth meeting on 14 February 1947. The Representative of Canada was invited to participate in the discussion.

10. *Incidents in the Corfu Channel*

By cable dated 24 January, addressed to the Secretary-General, the President of the Council of Ministers and Minister of Foreign Affairs of the People's Republic of Albania forwarded information that the Albanian Government accepted the Security Council's decision and requested that proceedings be postponed until the arrival of the Albanian Representative (document S/258). At the ninety-sixth meeting on 28 January, the Council considered this reply and decided to adjourn the discussion until the next meeting which would be called at the discretion of the President.

At the ninety-seventh meeting on 31 January, the Council decided to defer discussion of this question until a later meeting, the date of which would be determined by the President.

U.S. Submits Draft Trusteeship Agreement to Security Council

[Released to the press by the United Nations February 17]

The Secretary-General of the United Nations, Trygve Lie, on February 17 received from Senator Warren Austin, U.S. Representative on the Security Council, the text of a draft trusteeship agreement for the former Japanese Mandated Islands, with a request that the matter be placed on the agenda of the Security Council.¹

¹ For text of the draft agreement see BULLETIN of Nov. 17, 1946, p. 889.

U.S. Delegation to 101st Session of Governing Body of ILO

[Released to the press February 19]

The President has approved the composition of the United States delegation to the meetings of the 101st session of the Governing Body of the International Labor Organization, at Geneva, Switzerland, February 20–March 11, 1947, as submitted by the Secretary of State upon the recommendation of the Secretary of Labor, it was announced on February 19.

Miss Frieda S. Miller, Director of the Women's Bureau, Department of Labor, has been designated to serve as Substitute United States Government Representative for Assistant Secretary of Labor David A. Morse, who is the regular United States Government Representative on the Governing Board of the ILO.

Alvin Roseman, Deputy Chief, International Activities Branch, Bureau of the Budget, and Bernard Wiesman, Chief of the International Labor Organizations Branch of the Division of International Labor, Social and Health Affairs, in the Department of State, have been designated by the President to act as advisers to Miss Miller.

The United States Government is a permanent

member of the ILO by action of the President, following an authorizing joint resolution of Congress in June 1934.

Among the important questions at this session will be the review of the allocations of contributions among the more than 50 member nations following the establishment of the contributions scale for the United Nations with which the International Labor Organization is now associated as a specialized agency. The budget for the 1948 calendar year will be prepared for submission to the thirtieth session of the International Labor Conference in June. The Committee on Staff Questions will review the salaries and other conditions of employment for the staff in an effort to promote general uniformity of conditions among intergovernmental agencies.

The Governing Body will also make plans for the first Asiatic Regional Conference to be held in China in 1948 and for the Fourth Regional Conference of American States Members. Reports of the recent meetings of the industrial committees will also be considered and arrangements made for the 1948 Conference.

State Trading and Totalitarian Economies—Continued from page 373

hold its own in the world, provided fair rules of trade are adopted for both types of enterprises. We should not fear state trading nor feel that we have to destroy it in order to survive, but should try to convert other nations to our system by our example and to perfect the means whereby state and free trading can live together and trade together in the world of the future.

Although the Soviet Union did not elect to participate in the ITO Preparatory Committee Meeting in London, there was general agreement among the participating nations as to what con-

stituted a fair set of rules for state trading, and there is still hope that the U.S.S.R. will come into the International Trade Organization and agree to abide by some such rules.

Our Government believes that the interests of state and private trading can be reconciled. Since almost all nations of the world are now engaged in limited state trading, and since one country which embraces approximately one sixth of the world's surface engages in total state trading, it would be folly to think that an expanding world economy can be achieved on any other basis.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Calendar of Meetings¹

In Session as of February 23, 1947

Far Eastern Commission	Washington	1946 Feb. 26
United Nations:		
Security Council	Lake Success	Mar. 25
Military Staff Committee	Lake Success	Mar. 25
Commission on Atomic Energy	Lake Success	June 14
Telecommunications Advisory Committee	Lake Success	Nov. 10
Economic and Social Council (ECOSOC):		1947
Drafting Committee of International Trade Organization, Preparatory Committee	Lake Success	Jan. 20–Feb. 28 ²
Commission on the Status of Women	Lake Success	Feb. 10–23 ²
Subcommission on Economic Reconstruction of Devastated Areas: Working Group for Asia and the Far East	Lake Success	Feb. 14
German External Property Negotiations (Safehaven):		1946
With Portugal	Lisbon	Sept. 3
With Spain	Madrid	Nov. 12
Inter-Allied Trade Board for Japan	Washington	Oct. 24
PICAO:		1947
Interim Council	Montreal	Jan. 7
Air Transport Committee: Sixth Session	Montreal	Jan. 13
South Pacific Regional Air Navigation Meeting	Melbourne	Feb. 4–20
Airworthiness Division	Montreal	Feb. 20
Council of Foreign Ministers: Meeting of Deputies	London	Jan. 14–Feb. 25
Inter-Allied Reparation Agency (IARA): Meetings on Conflicting Custodial Claims	Brussels	Jan. 29
Conference of the International Union for Protection of Industrial Property	Neuchâtel	Feb. 5–9
International Court of Justice	The Hague	Feb. 10
International Refugee Organization: Preparatory Commission	Geneva	Feb. 11–22
Scheduled for February–April 1947		
International Emergency Children's Fund: Executive Board and Special Committee Meeting	Lake Success	Feb. 24–25
PICAO:		
Airline Operating Practices Division	Montreal	Feb. 25
European–Mediterranean Special Air Traffic Control Conference	Paris	Apr. 15
United Nations:		
Economic and Social Council (ECOSOC):		
Non-Governmental Organizations Committee	Lake Success	Feb. 25–27
Standing Committee on Negotiations With Specialized Agencies	Lake Success	Feb. 28
Fourth Session	Lake Success	Feb. 28
Meeting of Experts on Passport and Frontier Formalities	Geneva	Mar. 17
Trusteeship Council	Lake Success	Mar. 26

¹ Prepared in the Division of International Conferences, Department of State.

² Tentative.

		1947
FAO:		
Executive Committee	Rome	Mar. 3
International Timber Conference	Marianske-Lazne, Czechoslovakia	Apr. 28
ILO:		
Preparatory Meeting of Statistical Experts	Montreal	Mar. 4
101st Session of the Governing Body	Geneva	Mar. 5-8
Committee on Social Policy in Dependent Territories	London	Mar. 17-22
Committee of Experts on the Application of Conventions	Geneva	Mar. 24-29
Industrial Committee on Coal Mining	Geneva	Apr. 23
Council of Foreign Ministers	Moscow	Mar. 10
International Wheat Conference	London	Mar. 18
World Health Organization (WHO): Third Session of Interim Commission	Geneva	Mar. 31
Interparliamentary Union: 36th Plenary Session	Cairo	Apr. 7
International Conference on Trade and Employment: Second Meeting of Preparatory Committee	Geneva	Apr. 8
International Red Cross Committee	Geneva	Apr. 14-26
Fifth International Hydrographic Conference	Monaco	Apr. 22
International Meeting on Marine Radio Aids to Navigation	New York and New London	Apr. 28
European Central Inland Transport Organization (ECITO): Seventh Session of the Council	Paris	April ²
International Emergency Food Council (IEFC): Fourth Meeting	Washington	April or May ²

² Tentative.

Activities and Developments

HEARINGS ON PROPOSED ITO CHARTER

The Department of State announced on February 17 that the informal hearings in New York City on February 27 and 28 on the proposed charter for an International Trade Organization will be held at the Hotel Astor.

The Department also released several personnel changes in the seven panels which will hold the hearings, starting on February 25, 1947, at seven American cities.

At the New York and Boston hearings, Edgar Brossard of the U.S. Tariff Commission will replace Oscar B. Ryder, Chairman of the Tariff Commission, as a panel member.

At the Boston hearings on March 3 Harry Hawkins of the State Department will replace Winthrop G. Brown, Commercial Policy Adviser of the Department, as chairman of the panel. Mr. Hawkins is Minister-Counselor for Economic Affairs at the American Embassy, London.

At the New York and Washington hearings, Ellsworth Carlson of the State Department's Commercial Policy Division will replace John M. Leddy of the same Division as panel secretary.

Such notifications should be addressed to the Executive Secretary, Executive Committee on Economic Foreign Policy, room 133, Department of State building, Washington, D.C.¹

¹ For dates and places of hearings, and instructions regarding presentation of written views, see BULLETIN of Jan. 12, 1947, p. 68, and Feb. 9, 1947, p. 257.

THE RECORD OF THE WEEK

World Order and Security—Youth's Responsibilities

BY THE SECRETARY OF STATE ¹

I had an engagement with your distinguished president to attend this ceremony exactly one year ago. Instead I celebrated Washington's birthday in China. Now, a year later, I am glad that it is at last possible for me to keep my engagement.

I do not wish at this time to engage in a discussion of specific international questions. But I would like to talk to you about the home front as it relates to international affairs, and about your personal interests as American citizens. I might say I am talking to the students more than I am to the alumni and their guests.

As you all must recognize, we are living today in a most difficult period. The war years were critical, at times alarmingly so. But I think that the present period is in many respects even more critical. The problems are different but no less vital to the national security than those during the days of active fighting. But the more serious aspect is the fact that we no longer display that intensity, that unity of purpose, with which we concentrated upon the war task and achieved the victory.

Now that an immediate peril is not plainly visible, there is a natural tendency to relax and to return to business as usual, politics as usual, pleasure as usual. Many of our people have become indifferent to what I might term the long-time dangers to the nation's security. It is natural and necessary that there should be a relaxation of war-time tensions. But I feel that we are seriously failing in our attitude toward the international problems whose solution will largely determine our future. The public appears generally in the attitude of a spectator—interested, yes, but whose serious thinking is directed to local immediate matters. Spectators of life are not those who will retain their liberties, nor are they likely to contribute to their country's security.

There are many who deplore, but few who are

willing to act, to act directly or to influence political action. Action depends upon conviction, and conviction in turn depends upon understanding—a general understanding both of the past history of man on this globe and an understanding that action is a basic necessity of man's nature. Justice Holmes said, "Man is born to act. To act is to affirm the worth of an end, and to affirm the worth of an end is to create an ideal." So I say to you as earnestly as I can that the attitude of the spectator is the culminating frustration of man's nature.

We have had a cessation of hostilities, but we have no genuine peace. Here at home we are in a state of transition between a war and peace economy. In Europe and Asia fear and famine still prevail. Power relationships are in a state of flux. Order has yet to be brought out of confusion. Peace has yet to be secured. And how this is accomplished will depend very much upon the American people.

Most of the other countries of the world find themselves exhausted economically, financially, and physically. If the world is to get on its feet, if the productive facilities of the world are to be restored, if democratic processes in many countries are to resume their functioning, a strong lead and definite assistance from the United States will be necessary.

What are we going to do about it? That is the critical problem with regard to which I have a heavy responsibility.

We do not lack for knowledge of what to do for our future security. The lessons of history provide plain guidance. But can we tear our thoughts sufficiently away from the personal and local problems of the moment to see the world picture and our relation to it in proper perspective? We should think now in long terms of years rather than in terms of months and their immediate political issues.

Twenty-five years ago the people of this country,

¹ Washington's birthday anniversary remarks delivered before the 33rd alumni luncheon at Princeton University on Feb. 22, 1947.

and of the world for that matter, had the opportunity to make vital decisions regarding their future welfare. I think we must agree that the negative course of action followed by the United States after the first World War did not achieve order or security, and that it had a direct bearing upon the recent war and its endless tragedies.

There were people in those days who understood the lessons of history, who knew well what should be done in order to minimize the danger of another world disaster, but their combined voice was a feeble one, and their proposals were ignored. Now this, in my opinion, is where you come in.

In order to take a full part in the life which is before you, I think you must in effect relive the past so that you may turn to the present with deep convictions and an understanding of what manner of country this is for which men for many generations have laid down their lives. Therefore, a deep understanding of history is necessary—not merely recent history which concerns itself with the trivia surrounding conspicuous men and events, but an understanding of that history which records the main currents of the past activities of men and which leads to an understanding of what has created and what has destroyed great civilizations. You should have an understanding of what course of action has created power and security, and of the mistakes which have undermined the power and security of many nations, and above all a clear understanding of the institutions upon which human liberty and individual freedom have depended, and the struggles to gain and maintain them.

It has been said that one should be interested in the past only as a guide to the future. I do not fully concur with this. One usually emerges from an intimate understanding of the past, with its lessons and its wisdom, with convictions which put fire in the soul. I doubt seriously whether a man can think with full wisdom and with deep convictions regarding certain of the basic international issues today who has not at least reviewed in his mind the period of the Peloponnesian War and the fall of Athens.

I am therefore greatly concerned that the young

men and women of this country, men like yourselves and the students in every university, college, and high school in the United States, shall acquire a genuine understanding of lessons of history as they relate to governments and the characteristics of nations and peoples, and as to the causes of the wars which have destroyed so much of human life and progress. You should fully understand the special position that the United States now occupies in the world, geographically, financially, militarily, and scientifically, and the implications involved. The development of a sense of responsibility for world order and security, the development of a sense of overwhelming importance of this country's acts and failures to act, in relation to world order and security—these, in my opinion, are great "musts" for your generation.

It is rather bromidic to say that there is little new in the world or that the world is a very small place. But I think we seldom realize our own ignorance of what has happened in the past except by way of chronological sequence of events with the related dates. There have been wars and revolutions; there have been republics, kingdoms, and empires; there have been tribal rule and various experiments in government, till it would seem that there is small possibility of any new departure. But the important thing is to understand the true significance, the lessons of these historic events and periods.

There is another consideration in connection with the course to be followed by the young people of this country today to which I personally attach great importance. And that is that young men and women should take an active part as workers in one of the political parties so that they will get the feel of government, so that they will become intimately aware of the influence of political organization upon the government of the home town, of the state, and of the nation. We have had two wonderful examples of this course in the lives of Theodore and Franklin D. Roosevelt—members of opposing political parties, great Americans who rendered magnificent services to their country. You can do no better in starting your active life as citizens than to emulate their example.

U.S.S.R. Protests Acheson Statement Before Senate Atomic Energy Committee

EXCHANGE OF MESSAGES BETWEEN THE SOVIET MINISTER FOR FOREIGN AFFAIRS AND THE SECRETARY OF STATE

[Released to the press February 18]

Translation of note from Soviet Foreign Minister Molotov to Ambassador Smith,¹ dated February 14

On 10 of February this year while question of appointing Mr. Lilienthal as Chairman of Commission on Atomic Energy was being considered in the Senate of U.S.A., Senator McKellar allowed himself, in addressing Under Secretary of State, Mr. Acheson, to inquire: "Do you now suppose that Russia would take over rest of Europe and world, if she were in possession of bomb?" In answer to this rude attack of Senator McKellar on Soviet Union, Under Secretary of State Mr. Acheson observed: "Foreign policy of Russia is aggressive and expansionist."

Account of this session of Senate, including statement introduced by Mr. Acheson, was published on 11th February by number of American newspapers (*Washington Post*, *New York Herald Tribune*, etc.), also by UP.

Soviet Government calls the attention of Government of U.S.A. to inadmissible behavior of Mr. Acheson, who allowed himself, despite his official position, to make statement in Senate which was rudely slanderous and hostile to Soviet Union.

At direction of Soviet Government I request you to inform Government of U.S.A. of above facts.

Message from Secretary of State Marshall to Soviet Foreign Minister Molotov, forwarded February 17

I have your letter of February 14 sent to me through Ambassador Smith in which you protest against what you describe as the inadmissible behavior of the Under Secretary of State in making a statement before a Committee of the Senate

of the United States which you consider as a rude slander and hostile to the Soviet Union.

The expression complained of was not volunteered by the Under Secretary but was in response to questioning by a member of the Senate. The answer was given in the course of questions explicitly ruled permissible by the Chairman of the Committee: The particular question and answer were as follows:

SENATOR MCKELLAR. Now, assuming that Russia is reaching out not only for those countries that she already has, but is reaching out for additions to her territory, do you not believe that if she gets this bomb discovery, she would take not only the remainder of Europe but perhaps the remainder of the world?

MR. ACHESON. Senator, I don't think that that is a question which is capable of being answered in the way in which you ask it. I am quite aware of the fact that Russian foreign policy is an aggressive and expanding one. I think that one of the great efforts which everyone is making in the United Nations is to attempt to find means for solving problems of that sort. If those means and agreements can be found, then there is hope that there will not be major clashes. If they can't be found, then I think the situation is very serious.

You are thoroughly familiar with the constitutional system of this Nation including the separation of powers between the legislative and executive branches of this Government. In accordance with our system an officer of the executive branch, called before a Committee of the legislative branch, is under a duty to answer frankly relevant questions not involving a matter of secrecy incompatible with the public interest. Such an exception did not exist here.

The conduct of the Under Secretary, therefore, in answering the question frankly and in accord-

¹W. Bedell Smith is American Ambassador to the U.S.S.R.

ance with his conscience cannot be described as inadmissible, but was rather in line of duty.

You characterize the content of his statement as a rude slander and hostile to the Soviet Union.

Under our standards a restrained comment on a matter of public policy is not a slander. Therefore, I know that on second thought you will not attribute hostility to frankness.

Cultural Exchanges Between the United States and the Soviet Union

LETTER FROM AMBASSADOR SMITH TO SOVIET FOREIGN MINISTER MOLOTOV¹

Moscow, *February 3, 1947.*

DEAR MR. MOLOTOV:

In a recent published interview which he accorded to Mr. Elliott Roosevelt, Generalissimo Stalin indicated emphatically that he favored the exchange of cultural and scientific information between our two nations, and also the exchange of students, artists, scientists and professors. This is gratifying to me since, as you know, I have strongly advocated such exchange to broaden the base of contact which is necessary in order that the people of each of our nations may understand and appreciate the cultural life and objectives of the other. Recently we have made some progress in this respect, particularly in the exchange of cultural and scientific publications, but there is still much to be desired in the way of a comprehensive program. I am encouraged by Generalissimo Stalin's expression of views to bring to your personal attention a number of proposals for exchange of the nature referred to above which have recently been made through this Embassy by organizations and institutions in the United States, and which are awaiting Soviet agreement to be put into effect. The most important of these are the following:

1. Last August, during the visit of representatives of Russian War Relief, Doctor E. D. Young proposed to provide the Soviet Government with a complete penicillin plant and at same time proposed a two-way exchange of scientists between the United States and the Soviet Union, particularly in the medical field. Dr. Young discussed this matter with the Ministry of Health of the Soviet Union, but so far no reply has been received to his proposal.

2. In July, 1946, during the visit of Mr. Hopes and Dr. Lorwin of the United States Department

of Commerce, they discussed with the Ministry of Higher Education the offer of Cornell University to accept four graduate students from the Soviet Union to do postgraduate work in the United States and to give some instruction in the Russian language. No reciprocal exchange of American students was insisted upon, and I made this very clear to the Ministry of Higher Education. At the time I received the impression that the Ministry was willing to accept this proposal, but we have so far been unable to make any definite arrangements with the Ministry and had to abandon the project in November since it was already too late for the fall semester. I have now received a letter from the Deputy Minister of Higher Education, A. Samarin, dated January 29, in which he states that his Ministry regards favorably the proposal of the Embassy, but it is apparently very difficult to realize this proposal in the current school year 1946-47. I am hopeful, nevertheless, that this offer may be reconsidered and accepted in time for the spring semester.

3. Professor Richard Foster Flint of Yale University is anxious to do some field work with Soviet geologists and to confer with them on the Pleistocene features of the U.S.S.R. Dr. Flint's request and biographic sketch were forwarded to the Presidium of the Academy of Sciences on December 16, 1946 and as he is a distinguished American geologist, I would be grateful if his request could be approved.

4. In the summer of 1946 while Mrs. LaFell Dickinson, the President of the General Federation of Women's Clubs, was here at the invitation of the Soviet Union to observe rehabilitation work and study Soviet welfare programs, she offered in the name of her Federation a scholarship in the

¹ Released to the press by Ambassador Smith in Moscow on Feb. 18, 1947.

United States to a Soviet girl student. My understanding is that additional scholarships could be made available. Mrs. Dickinson has since been informed that her offer cannot be accepted, but I suggest that it now be reconsidered since it seems to be in accord with the general principle of broadening educational and cultural contacts.

5. I have recently transmitted to VOKS an invitation by the American dance impresario, S. Hurok, for a Soviet ballet company to participate in the International Dance Spring Festival of 1947 which will be held at the Metropolitan Opera House in New York, and for a possible United States tour after the festival. Discussions are in progress with VOKS, but no concrete developments have taken place. As you know, I greatly admire the Russian ballet, and I can assure you that a Soviet ballet company would be extremely well received in the United States and its presence at the International Dance Festival would have a very favorable effect. I sincerely hope that this invitation may be accepted.

6. I have recently received a request from the United States, sponsored by the Surgeon General of the Public Health Service, that three American doctors, Doctors Theodore S. Hauschka, Michael B. Shimkin, and Murray J. Shear, be authorized to visit the Soviet Union to study cancer research methods. Developments in cancer research by Doctors Roskin and Klyueva and other distinguished Soviet medical scientists have created the greatest interest in the United States. My own conversation with Doctors Roskin and Klyueva and with other members of the Soviet Academy of Medical Sciences left me with the impression that their recent contribution to humanity's struggle against cancer may have the most profound effect. The people and the Government of the United States will be most grateful if this request can be approved at an early date.

7. In February, 1946, Dr. Harold W. Dodds, the President of Princeton University, extended through the Soviet Ambassador in Washington invitations to the University's bicentennial celebration for a number of distinguished Soviet scholars, including Professors Peter L. Kapitsa, L. D. Landau, Sergei I. Vavilov, and others. At

the same time the Rockefeller Foundation extended invitations to Professors Ivan M. Vinogradov and Lev S. Pontryagin. Although no acknowledgment was received of these invitations and the occasion of the University's bicentennial celebration to which they were invited has passed, I am sure they would be renewed if the Soviet Government indicated a willingness to accept them.

8. In March, 1946, the Embassy transmitted to the Ministry an invitation from Mr. Henry B. Cabot, President of trustees of the Boston Symphony Orchestra, to Eugene Mravinsky, conductor of the Leningrad Philharmonic, to be the guest of the Boston Symphony either October 21 to November 4, or December 16 to December 30, 1946. No reply was received to this invitation and the periods for which it was extended have passed, but it has been indicated to me that it would be renewed if the Soviet Government will authorize its acceptance.

9. On May 16, 1946, the Embassy transmitted to the Ministry the offer of Mr. Serge Koussevitsky and the Boston Symphony Orchestra to proceed to the Soviet Union for two weeks at their own expense and to perform for Soviet audiences, the proceeds from tickets to be devoted to whatever local benefit as might be designated by the Soviet authorities. The Ministry was informed that the orchestra hoped thereby to repay in some small part the magnificent cooperation of the Soviet Union during the war. No reply having been received to the Embassy's letter, and as the time set for the orchestra's proposed visit was approaching (the month of September, 1946) the Embassy again wrote on July 2, inquiring what answer could be given to the orchestra. No reply has thus far been received.

Should the Soviet authorities now be disposed to accept such an offer, I shall be very glad to transmit this information in the hope that it will be renewed.

I should be very grateful indeed to have your views with regard to the foregoing proposals, and particularly if anything more can be done by the Embassy to further the important matter of cultural and scientific exchanges.

I am, my dear Mr. Molotov, sincerely yours,

W. B. SMITH

Recommendation for UNRRA Appropriation

LETTER FROM THE PRESIDENT TO THE CONGRESS

[Released to the press by the White House February 21]

To the Congress of the United States of America:

I recommend that the Congress authorize the appropriation of not to exceed \$350 million to assist in completing the great task of bringing relief from the ravages of the war to the people of the liberated countries.

The period of full scale supply operations by the United Nations Relief and Rehabilitation Administration is rapidly drawing to a close. In some of the liberated countries UNRRA will have achieved its objective fully, for these countries will once again be self-supporting so far as the basic essentials of life are concerned. In other liberated countries, however, this is not yet the case. Compared with what has already been done, what remains to be done is relatively small and limited in time and scope, but none-the-less vitally important.

On humanitarian grounds, and in the light of our own self-interest as well, we must not leave the task unfinished. We cannot abandon the peoples still in need. To do so would be to replace hope with despair in the hearts of these peoples and thus to undermine the spiritual and economic stability upon which our own hopes for a better world must rest. Others will help but such is the preponderance of our economic resources that success cannot be achieved without us. If we fail to do our part, millions of human beings will be denied the elemental necessities of life. Their strength and recuperative powers, which have been slowly growing, will be undermined. The time, now in sight, when they can once more exist without help and make their contributions to the peace, prosperity, and progress of the world, will be indefinitely postponed.

I recommend that this relief assistance be given directly rather than through an international organization, and that our contribution be administered under United States control. International cooperation in the program and the necessary coordination of our relief activities with those of other contributors can be achieved by informal

consultations with all nations concerned through the mechanism of the United Nations and otherwise. I believe that our relief contribution should be used only for providing the basic essentials of life, such as medical supplies, food, and items which will aid in the production of foodstuffs.

The authorization recommended is designed for the urgent relief needs for the balance of the year. The most critical period will be in the spring and summer months, when UNRRA shipments will cease and the harvests are not yet available. Swift legislative action is necessary if our help is not to come too late.

The United States, in keeping with our traditions of immediate and wholehearted response to human need, has stood in the forefront of those who have checked the forces of starvation, disease, suffering, and chaos which threatened to engulf the world in the wake of the war. The task is nearly finished. I urge the Congress to act promptly to insure that we do not stop short of the goal; that we do not endanger the permanence of the gains we have helped to achieve.

HARRY S. TRUMAN

THE WHITE HOUSE

February 21, 1947

American Broadcasts to the U.S.S.R.

On February 17 the American broadcasts to the Soviet Union were inaugurated in a program broadcast in Russian from the New York studios of the International Broadcasting Division of the Department of State and relayed to the Soviet Union through Munich.¹ Kenneth D. Fry, Chief of the Division, announced that these programs are to be broadcast daily from 1 to 2 p.m., E.S.T., 9 to 10 p. m. (21 to 22 hours), Moscow time.

¹ For a complete text of the English translation of the broadcast, see Department of State press release 125 of Feb. 15, 1947; and for the English translation of the news commentary included in the first program, see Department of State press release 130 of Feb. 17, 1947.

Until the present time the United States has been broadcasting in 24 languages to countries within the range of its transmitters. An increase in the range of the radio network has widened the sphere of American broadcasts to all parts of the world and thus has permitted a daily one-hour program to listeners in the U.S.S.R.

The new program, "The Voice of the United States of America", may be heard in the U.S.S.R. daily on the following wavelengths: 19:72, 19:65, 19:62, 19:57, 16:90, 16:83, and 13:91 meters; and also on the following wavelengths: 48:62, 41:15, and 31:45 meters.

The purpose of the broadcasts is to give listeners in the U.S.S.R. a picture of life in America, to ex-

plain various problems, and to point out how we are trying to solve these problems. They will include the latest world news of the day, feature stories about life in the United States, and selections of serious and light music. "The Voice of the United States of America" is part of the informational service designed to tell the world about America and the American people. Secretary of State Marshall in his first official press conference said that the United States, by means of radio broadcasts, would attempt to give the peoples of the world the pure and unadulterated truth. The Secretary of State emphasized that by such means America will pursue its policy of disseminating the facts as best it is able to determine them.

Food Supplies From American Red Cross to Rumania

STATEMENT BY THE PRESIDENT

[Released to the press by the White House February 17]

I have just been informed by American officials in Rumania that 500,000 people are now starving in Moldavia, the northern province of Rumania. Thousands have already died, hundreds are dying daily, and conditions are steadily worsening.

In the circumstances, I have asked the American Red Cross to finance and supervise distribution of 4,500 tons of ten-in-one rations and 2,500 tons of beans to these starving people. These supplies, already on the water, will be diverted by the United States Army and should reach Constanta, Rumania, within 10 days. They are sufficient to provide 1,000 calories per day for 500,000 people for approximately 16 days. The Rumanian Government is being requested to make available transportation and other facilities to enable the Rumanian Red Cross, under supervision of the American Red Cross, to distribute this food without charge and with guaranties against discrimination on political, racial, religious, or social grounds.

At the same time, despite the magnitude of world demands on existing stocks and transportation facilities, urgent attention is being given to the possibilities of providing additional food sup-

plies, in the form of cereal grains, for purchase by Rumania, and in that connection the Rumanian Government has been asked to give immediate assurances that measures will be taken so that food thus furnished, as well as remaining indigenous food, will be utilized effectively to prevent the recurrence of such an emergency situation as has now arisen. Among the assurances desired are guaranties that, so long as the present famine continues, (1) Rumania will not employ any grain for the payment of reparations; (2) Rumania will not export or permit the export of any grain from Rumania for the repayment of grain loans from other countries, for trade purposes, or for any other reasons; and (3) United States representatives in Rumania will be free to observe, in such manner as they see fit, the distribution within Rumania of grain from United States sources, which distribution will likewise be effected without political, racial, religious, or social discrimination.

I have taken this action on humanitarian grounds. It is in the tradition of the American people to take all possible steps to alleviate the present suffering of the people of Rumania, no matter what may be the cause of the dire emergency in which these people now find themselves.

Eligibility and Compensation Proceedings on Enterprises Nationalized in Czechoslovakia

[Released to the press February 19]

The Department of State has recently been advised of some additional details of the procedure for obtaining compensation for enterprises nationalized in Czechoslovakia.¹ In general only the owner or the officers of a joint-stock enterprise may be parties to the proceedings, although those persons will also be heard who have capital investments in and may be entitled to some compensation with respect to joint-stock enterprises not otherwise entitled thereto under the law. Ownership must be proved; and if an enterprise was transferred during the Nazi regime by virtue of a law now invalid, the question of ownership must be determined by a Czechoslovak court prior to the submission of any claim.

The first procedural step is the initiation, by application therefor, of eligibility proceedings to determine whether or not a claimant is entitled to compensation. Such applications must be made to the Ministry of Industry at Prague and must clearly indicate the identity of the applicant or his attorney, the nature and amount of the claim, and must be executed by the applicant or his attorney. Evidence corroborative of the claim must at least be indicated in, if not annexed to, the application. A separate application must be made with respect to each enterprise nationalized and a copy thereof should be sent to the Office of the Legal Adviser, Department of State. In case of an adverse finding, appeals may be taken to the Czechoslovak courts.

If an application is not rejected in the eligibility proceedings, compensation proceedings will thereafter be immediately instituted to ascertain the value of the enterprise—its assets and liabilities. Claimants who are dissatisfied with a compensation award may also appeal to the competent Czechoslovak courts.

The Department has been further advised of the necessary contents of applications to be filed in behalf of the following:

1. Individuals not registered as merchants.
2. Individuals registered as merchants.

3. Partnerships.

4. Mixed partnerships in which some members enjoy limited liability (*Komanditní společnost*).

5. Mixed partnerships in which some members as share-holders enjoy limited liability (*Komanditní společnost na akcie*).

6. Joint-stock companies (*akciová společnost*).

7. Limited liability companies (*společnost a ručením omezeným*).

8. Companies under the Common Mining Law (*tezarstve*).

Information with respect to such applications will be sent to inquirers upon request therefor if they clearly indicate to which of the above classifications they refer. All communications should be addressed to the Legal Adviser's Office, Department of State.

Round-Trip Fueling for British Ships in U.S. Ports

[Released to the press February 21]

The Department of State announced on February 21 that, pursuant to the President's desire to assist the United Kingdom in its present fuel crisis, the Government of the United States will bunker British ships at American ports for round-trip voyages.

It is estimated that the adoption of this double-bunker practice, by eliminating the need for refueling at British ports, will alleviate the British fuel shortage by 50,000 to 75,000 tons per month.

The United States Government had decided on its own initiative to offer double-bunkering facilities to the United Kingdom when, almost simultaneously, the British made a request for the priv-

¹ BULLETIN of Dec. 1, 1946, p. 1003; for an article on the nationalization program by Miriam E. Oatman see BULLETIN of Dec. 8, 1946, p. 1027.

ilege. Therefore the British Government immediately instructed British ships to begin the new practice and extended thanks to the United States Government for its offer.

The double-bunkering procedure will not reduce the volume of American coal available for export.

UNESCO Program—Continued from page 377

achieved. But the Conference did not attain that measure of agreement which would permit it to overrule its subcommissions on specific points, establish definitive priorities among their various, and to an extent competing, recommendations, and to fix the final form of the program. The Conference could and did clearly approve as basic policy the central intention indicated in the commentary.

The final harmonization of these documents was entrusted to the Executive Board and under its direction to the Director General and the secretariat. This procedure, of course, is in accordance with the constitution of UNESCO, under which the Conference determines the policies and main lines of work of the Organization, while the Board is responsible for the execution of the program adopted by the Conference. Further, it conforms with the practical limitation imposed by the budget. With six million dollars authorized for the first year, the Organization must inevitably establish priorities and select a few urgent projects for immediate action.

Preliminary reports from Paris indicate that agreement is being reached on the essentials of the program. The secretariat is proposing to undertake 16 major projects, which correspond in large measure to those recommended in the commentary.

Conclusion

UNESCO is a specialized agency of the United Nations, created for the purpose of advancing within its own sphere of competence the purposes of peace and human welfare. Like its sister agencies whose activities are coordinated by the Economic and Social Council, it is opening new channels whereby the solidarity of mankind may be expressed and increased. Seen in this perspective, the program takes on a certain majesty of conception. It may be seen as advancing on four main fronts. First, UNESCO responds to the urgent needs of the war-devastated members of the United Nations. Secondly, it offers its help

THE DEPARTMENT

Departmental Regulations

116.1 To the Office of the Legal Adviser (Le), published in the BULLETIN of November 10, 1946, page 874, and December 15, 1946, page 1115, add the following:

I FUNCTIONS (continued).

E Congressional Relations. (Added 2-1-47)

1 Maintaining relations with the Congress on all matters of interest to the Department and serving as the principal point of coordination for all liaison activities between the Department and the Congress.

2 Providing legal guidance to Offices and Divisions of the Department concerned with legislative action (including the advice and consent of the Senate to the ratification of treaties and conventions) in connection with the Department's programs or projects.

3 Directing the preparation of legislation and the coordination of its presentation to the Congress in conjunction with and on approval of the Assistant Secretaries as to policy affecting their respective fields of responsibility.

4 Clearing all reports to Congress that are transmitted or approved on behalf of the Department.

5 Receiving in the first instance all requests, oral or written, for expressions of opinion on pending or proposed legislation excepting those instances where contact is made directly with the office primarily concerned with such pending or proposed legislation. Where these exceptions occur, the Legal Adviser is to be kept fully advised of all developments consequent thereto.

6 Clearing all communications prepared in response to requests for comment on pending or proposed legislation, all communications between the Department and other government departments and agencies regarding such legislation and in general all communications pertaining to pending or proposed legislation, treaties or conventions which are addressed by the Department to the Congress, the chairmen of committees and to individual members.

7 Clearing all replies to oral or written requests from the Bureau of the Budget for the views of the Department on enrolled enactments of the Congress, proposed or pending legislation, and Executive orders.

to the peoples of the "backward" countries—the majority of the world's population—in the advancement of their welfare through education and through the applications of science. Thirdly, it encourages the search for a common ground of understanding among those peoples who—literate and scientifically endowed as they may be—live in fear of war. Fourthly, it contributes to the enrichment of the lives of all by promoting international cooperation in the advancement of the arts and sciences of mankind.

Public Hearings on Trade-Agreement Negotiations

POSSIBLE TARIFF CONCESSIONS FOR ADDITIONAL PRODUCTS

[Released to the press February 18]

Since publication on November 9, 1946 of the list of products which would be considered for the possible granting of tariff concessions by the United States in trade-agreement negotiations with Australia, Belgium, Brazil, Canada, Chile, China, Cuba, Czechoslovakia, France, India, Lebanon (Syro-Lebanese Customs Union), Luxembourg, Netherlands, New Zealand, Norway, Union of South Africa, Union of Soviet Socialist Republics, and United Kingdom, the Committee for Reciprocity Information has conducted public hearings with respect to these products.¹ The hearings continued from January 13 to February 6. As a result of the information and views presented at the hearings, together with further information on our trade with these countries, it has been found desirable to make certain technical amendments and additions to the original list. These amendments are given in a supplementary list which the Secretary of State made public on February 18.

The supplementary list is published, in accordance with established procedure under the Trade Agreements Act, in order that interested persons

¹ For original list of products considered for granting of tariff concessions, see Department of State publication 2672, Commercial Policy Series 96. For summary of information relating to the trade-agreements program, see BULLETIN of Nov. 17, 1946, p. 907.

may have opportunity to present information and views on the products included. No decision will be made, and no negotiation will be undertaken, on any item in this list until after public hearings.

The Committee for Reciprocity Information on February 18 announced March 18, 1947 as the final date for presenting written information and views and the submission of applications for supplementary oral presentation of views, and March 20, 1947 as the date of opening of public hearings, with respect to this supplementary list.

The supplementary list is issued in two forms for the convenience of the public: a *statistical* form based upon import statistical classifications; and a *statutory* form based upon the language of the Tariff Act of 1930. The statutory form is controlling in the event of differences between the two.

SUPPLEMENTARY STATISTICAL LIST²

The products included in this list are those indicated by the commodity numbers shown in the right-hand column of this list. Refer to *Schedule A—Statistical Classification of Imports into the United States*, U.S. Department of Commerce, September 1, 1946, to identify the products covered by these commodity numbers.

A dash between two commodity numbers indicates that all commodity numbers within the range shown are included in the list.

Product	Commodity No., Sched. A, 1946
GROUP 0.—ANIMAL AND ANIMAL PRODUCTS, INEDIBLE	
<i>Animal and fish oils, fats, and greases, inedible</i>	
Tallow, inedible.	0815. 600
GROUP 1.—VEGETABLE FOOD PRODUCTS AND BEVERAGES	
<i>Grains and preparations</i>	
Corn (product of Cuba)	³ 1031. 000
Cracked corn (product of Cuba)	³ 1090. 180

² In some instances, for purposes of clarity, this list repeats certain items which were covered by the original *Published Statistical List of Products on Which Possible Tariff Concessions by the Government of the United States Will Be Considered in Reciprocal Trade Agreement Negotiations with Foreign Countries*, November 1946.

³ Cuban products only.

Product	Commodity No., Sched. A, 1946
GROUP 1—Continued	
<i>Fruits and preparations</i>	
Pineapples, in bulk (product of Cuba)	³ 1308. 100
Grapes (except hothouse)	1318. 500
Peaches, dried, desiccated, or evaporated	1330. 620
Peaches, otherwise prepared or preserved, n. s. p. f.	1330. 650
Pears, dried, desiccated, or evaporated	1330. 670
Pears, otherwise prepared or preserved, n. s. p. f.	1330. 690
Pectin	1330. 700
<i>Sugar and related products</i>	
Lactose (sugar of milk)	1654. 400
GROUP 2.—VEGETABLE PRODUCTS INEDIBLE, EXCEPT FIBERS AND WOOD	
<i>Seeds, except oil seeds</i>	
White or ladino clover seed	2405. 500
GROUP 3.—TEXTILE FIBERS AND MANUFACTURES	
<i>Cotton manufactures</i>	
Tapestries and other Jacquard-figured upholstery cloths of cotton or other vegetable fiber (not including pile fabric or bed ticking)	3078. 000
<i>Other vegetable fibers and manufactures</i>	
Crin vegetal (twisted or not twisted)	3407. 000
Vegetable fibers, manufactured in whole or in part, n.s.p.f. (except istle or Tampico)	3410. 080
<i>Silk manufactures</i>	
Silk fabrics, broad-woven	3708. 600— 3711. 730
GROUP 4.—WOOD AND PAPER	
<i>Wood manufactures</i>	
Plywood, red cedar	⁴ 4209. 500
<i>Paper and manufactures</i>	
Handmade paper and paper known as handmade or machine handmade paper, weighing 8 pounds or over per ream	4724. 810— 4724. 870
GROUP 5.—NONMETALLIC MINERALS	
<i>Glass and glass products</i>	
Lenses of glass or pebble (except spectacle and lighthouse lenses), with edges ground or beveled	5290. 190
<i>Precious and semiprecious stones and imitations, and industrial diamonds</i>	
Imitation solid pearls, valued over ¼ cent per inch	5957. 300— 5957. 500
GROUP 6.—METALS AND MANUFACTURES, EXCEPT MACHINERY AND VEHICLES	
<i>Steel mill products—manufactures</i>	
Flexible metal tubing or hose	6092. 500
GROUP 8.—CHEMICALS AND RELATED PRODUCTS	
<i>Coal-tar products</i>	
Saccharin	8089. 200
<i>Medicinal and pharmaceutical preparations</i>	
Thymol, obtained or derived from eucalyptus oil	⁵ 8130. 880
Eucalyptol	⁶ 8130. 900— ⁶ 8140. 590

³ Cuban products only.⁴ Red cedar plywood only.⁵ Thymol, obtained or derived from eucalyptus oil only.⁶ Eucalyptol only.

Product	Commodity No., Sched. A, 1946
GROUP 8—Continued	
<i>Industrial chemicals</i>	
Ammonium aluminum sulphate or ammonia alum	8380. 110
Aluminum salts and compounds, n.s.p.f.	8380. 170
Eucalyptol; selenium dioxide; tellurium (compounds)	⁷ 8380. 950
	⁷ 8380. 983
GROUP 9.—MISCELLANEOUS	
<i>Dolls and toys, athletic and sporting goods</i>	
Fish hooks, n.s.p.f.	9420. 550
<i>Clocks, watches, clockwork mechanisms, and parts</i>	
Clocks and clock movements, and jewels and parts therefor	9540. 100— 9550. 980
Clockwork measuring and regulating mechanisms, devices and instruments, and jewels and parts therefor	9590. 001— 9590. 081

⁷ Eucalyptol, selenium dioxide, and tellurium (compounds) only.

SUPPLEMENTARY STATUTORY LIST

Items provided for in the Tariff Act of 1930

SCHEDULE 1—CHEMICALS, OILS, AND PAINTS

Par. 5. Eucalyptol; selenium dioxide; tellurium compounds.

Par. 6. Ammonium aluminum sulphate or ammonia alum; aluminum salts and compounds not specially provided for.

Par. 23. Articles specified in this list under paragraph 5, when imported in capsules, pills, tablets, lozenges, troches, ampoules, jubes, or similar forms, including powders put up in medicinal doses.

Par. 26. Thymol obtained or derived from eucalyptus oil.

Par. 28. (a) Saccharin.

Par. 41. Pectin.

SCHEDULE 2—EARTHS, EARTHENWARE, AND GLASSWARE

Par. 226. Lenses of glass or pebble, molded or pressed, or ground and polished to a spherical, cylindrical, or prismatic form, and ground and polished plano or coquille glasses, wholly or partly manufactured; any of the foregoing (except lighthouse, spectacle, and eye-glass lenses), with edges ground or beveled.

SCHEDULE 3—METALS AND MANUFACTURES OF

Par. 328. Flexible metal tubing or hose, whether covered with wire or other material, including any appliances or attachments affixed thereto, not specially provided for.

Par. 368. (a) Clocks; clock movements, including lever movements; clockwork mechanisms; time-keeping, time-measuring, or time-indicating mechanisms, devices, and instruments; synchronous and subsynchronous motors of less than one fortieth of one horsepower valued at not more than \$3 each, not including the value of gears or other attachments; and any mechanism, device, or instrument intended or suitable for measuring time,

distance, speed, or fares, or the flowage of water, gas, or electricity, or similar uses, or for regulating, indicating, or controlling the speed of arbors, drums, disks, or similar uses, or for recording or indicating time, or for recording, indicating, or performing any operation or function at a predetermined time or times, all the above (except the articles enumerated or described in paragraph 367 of the Tariff Act of 1930), whether or not in cases, containers, or housings, including jewels contained in any of the foregoing.

(c) Parts for any of the foregoing:

(1) parts (except plates provided for in clause (2) of this subparagraph, and jewels) imported in the same shipment with complete movements, mechanisms, devices, or instruments, provided for in subparagraph (a) of this paragraph (whether or not suitable for use in such movements, mechanisms, devices, or instruments); but this clause of this subparagraph shall not be applicable to that portion of all the parts in the shipment which exceeds in value $1\frac{1}{2}$ per centum of the value of such complete movements, mechanisms, devices, or instruments;

(2) plates suitable for assembling thereon the clockwork mechanism constituting or contained in any of the foregoing movements, mechanisms, devices, or instruments;

(3) assemblies or subassemblies consisting of two or more parts or pieces of metal or other material joined or fastened together;

(4) assemblies or subassemblies consisting in part of a plate or plates provided for in clause (2) of this subparagraph;

(6) all other parts (except jewels).

(d) Dials for any movements, mechanisms, devices, or instruments enumerated or described in this paragraph or in paragraph 367 of the Tariff Act of 1930 (except dials specifically provided for in paragraph 367), when imported separately.

THE RECORD OF THE WEEK

(e) Cases, containers, or housings suitable for any of the movements, mechanisms, devices, or instruments enumerated or described in this paragraph, not specially provided for, when imported separately.

(g) Taximeters and parts thereof, finished or unfinished.

SCHEDULE 4—WOOD AND MANUFACTURES OF

Par. 405. Red cedar plywood.

SCHEDULE 5—SUGARS, MOLASSES, AND MANUFACTURES OF

Par. 505. Lactose.

SCHEDULE 7—AGRICULTURAL PRODUCTS AND PROVISIONS

Par. 701. Tallow, inedible.

Par. 724. Corn or maize, including cracked corn, the product of Cuba only.

Par. 742. Grapes (other than hot house grapes) in bulk, crates, barrels, or other packages.

Par. 745. Peaches: dried, desiccated, or evaporated; or otherwise prepared or preserved, and not specially provided for.

Par. 747. Pineapples in bulk, the product of Cuba only.

Par. 749. Pears: dried, desiccated, or evaporated; or otherwise prepared or preserved, and not specially provided for.

Par. 763. Grass seeds and other forage crop seeds: white and ladino clover.

SCHEDULE 9—COTTON MANUFACTURES

Par. 908. Tapestries and other Jacquard-figured upholstery cloths (not including pile fabrics or bed ticking) in the piece or otherwise, wholly or in chief value of cotton or other vegetable fiber.

SCHEDULE 10—FLAX, HEMP, JUTE, AND MANUFACTURES OF

Par. 1001. Crin vegetal, twisted or not twisted.

SCHEDULE 12—SILK MANUFACTURES

Par. 1205. Woven fabrics in the piece, wholly or in chief value of silk, not specially provided for; woven fabrics in the piece, not exceeding thirty inches in width, whether woven with fast or split edges, wholly or in chief value of silk, including umbrella silk or Gloria cloth; any of the foregoing, whether or not Jacquard-figured.

SCHEDULE 14—PAPERS AND BOOKS

Par. 1407. (a) Handmade paper and paper commonly or commercially known as handmade or machine handmade paper, and paper similar to the foregoing, weighing eight pounds or over per ream, not ruled, bordered, embossed, printed, lined, or decorated in any manner, or if ruled, bordered, embossed, printed, lined, or decorated in any manner, whether in the pulp or otherwise, other than by lithographic process.

SCHEDULE 15—SUNDRIES

Par. 1528. Imitation solid pearls, unpierced, pierced or partially pierced, loose, or mounted, of whatever shape, color, or design, and valued at more than one fourth of one cent per inch.

Par. 1535. Fish hooks, not especially provided for.

Par. 1558. Articles manufactured, in whole or in part, not especially provided for:

Textile grasses or fibrous vegetable substances (except istle or Tampico fiber).

Items Provided for in the Internal Revenue Code

Sec. 2491. (a) Tallow, inedible.

COMMITTEE FOR RECIPROCITY INFORMATION

TARIFF COMMISSION BUILDING,
Eighth and E Streets NW.
Washington, D.C.

Trade-agreement negotiations with Australia, Belgium, Brazil, Canada, Chile, China, Cuba, Czechoslovakia, France, India, Lebanon (Syro-Lebanese Customs Union), Luxembourg, Netherlands, New Zealand, Norway, Union of South Africa, Union of Soviet Socialist Republics, United Kingdom.

PUBLIC NOTICE

SUPPLEMENTARY LIST OF PRODUCTS

Closing date for submission of briefs: March 18, 1947.

Closing date for application to be heard: March 18, 1947.

Public hearings open: March 20, 1947.

SUBMISSION OF INFORMATION TO COMMITTEE FOR RECIPROCITY INFORMATION

The Committee for Reciprocity Information hereby gives notice that all information and views in writing, and all applications for supplemental oral presentation of views, with regard to the supplementary list of products announced by the Secretary of State on this date in connection with trade-agreement negotiations with the countries listed above, shall be submitted to the Committee for Reciprocity Information not later than 12 o'clock noon, March 18, 1947. Such communications should be addressed to "The Chairman, Committee for Reciprocity Information, Tariff Commission Building, Eighth and E Streets NW., Washington, D.C."

A public hearing will be held, beginning at 10 a.m. on March 20, 1947, before the Committee for Reciprocity Information, in the hearing room of the Tariff Commission in the Tariff Commission Building, when supplemental oral statements will be heard with regard to the products contained in the supplementary list.

Ten copies of written statements, either typewritten or printed, shall be submitted, of which one copy shall be sworn to. Appearance at hearings before the Committee may be made only by those persons who have filed written statements and who have within the time prescribed made written application for a hearing, and statements made at such hearings shall be under oath.

By direction of the Committee for Reciprocity Information this 18th day of February, 1947.

EDWARD YARDLEY
Secretary

WASHINGTON, D.C.
February 18, 1947

Department of State Bulletin

Resumption of Foreign Service Examinations

[Released to the press February 19]

The Department of State announced on February 19 the resumption in September of the regular written examinations for appointment to the Foreign Service of the United States. The last regular examinations were held in 1941.

The examinations will be given over a four-day period, September 22 through September 25, and will be held in 15 Civil Service examination centers: Boston, New York, Philadelphia, Washington, Winston-Salem, Atlanta, Cincinnati, Chicago, St. Paul, St. Louis, New Orleans, Dallas, Seattle, San Francisco, and Denver. The examinations will also be held in Honolulu; San Juan, Puerto Rico; Panama (if the number of candidates is sufficient); and at American diplomatic posts and consulates.

Application blanks may be procured from the Board of Examiners for the Foreign Service, Department of State, Washington 25, D. C. All applications must be submitted prior to June 30, 1947. Applicants must be between 21 and 35 years of age as of September 22, 1947 and must have been citizens of the United States for at least the last 10 years. If married, they must be married to American citizens.

Appointments as Foreign Service officer, Class 6, are made at salary levels ranging from \$3,300 to \$4,400 a year according to age, experience, and qualifications. The United States has Foreign Service representatives in every country in the world, and consequently officers have the opportunity to serve in many posts during their careers.

The duties of Foreign Service officers include: negotiation with foreign officials; political reporting; economic reporting in such fields as labor, finance, transportation, communication, aviation, and petroleum; commercial reporting and trade promotion; agricultural reporting; issuance of visas and passports; assistance to American shipping; protection of American citizens and property; and development of cultural and informational programs.

The written examinations consist of four general examinations and three special examinations. The first three general examinations measure the ability to read English with comprehension and with reasonable speed; the breadth and accuracy

of vocabulary; the ability to interpret statistical tables and graphs, to comprehend simple numerical relationships, and to make simple mathematical deductions; and the range and accuracy of factual information. The fourth general examination is a test of ability to write English. The first special examination is an examination in government and world history since 1776, so constructed that a candidate may, if he wishes, select questions dealing with American history and government only. The second special examination is an examination in the principles of economics. The third special examination is an examination in modern languages. The candidate may select any one or two of the following languages: French, German, Portuguese, Russian, and Spanish.

Candidates who pass the written examinations are admitted to oral and physical examinations which they must pass before they become eligible for appointment as Foreign Service officers.

President's Special Representative at Inauguration of President of Uruguay

The President of the United States has named Joseph F. McGurk, present Ambassador to Uruguay, as his special representative at the inauguration of the President-elect, Tomás Berreta, at Montevideo on March 1, the Department of State announced on February 21.

Radio Broadcast on Japan

On February 22 George Atcheson, Jr., American representative and Chairman of the Allied Council for Japan, and American Political Adviser to General MacArthur, together with John K. Emerson, Special Assistant to the Chief of the Division of Japanese Affairs of the Department of State, discussed with Sterling Fisher, director of the NBC University of the Air, the question, "Is Japan Changing?" This program was one in a series entitled "Our Foreign Policy" presented by the NBC University of the Air. For a complete text of the program see Department of State press release 138 of February 21, 1947.

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Contributors

George C. McGhee, author of the article on state trading and totalitarian economies, is Special Assistant to the Under Secretary for Economic Affairs, Department of State.

Herbert J. Abraham, author of the article on the program of UNESCO, is Research and Analysis Officer, UNESCO Relations Staff, Office of International Information and Cultural Affairs, Department of State.

John K. Havemeyer, author of the article on the Inter-American Coffee Agreement, is a Divisional Assistant in the International Resources Division, Office of International Trade Policy, Department of State.

The Department of State

bulletin

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March 9, 1947

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APR 2 1947

The Department of State bulletin

VOL. XVI, No. 401 • PUBLICATION 2772

March 9, 1947

The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest is included.

Publications of the Department, cumulative lists of which are published at the end of each quarter, as well as legislative material in the field of international relations, are listed currently.

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THE U. S. IN THE ALLIED ADMINISTRATION OF AUSTRIA

by Velma Hastings Cassidy

The article below surveys the establishment of Allied administration in Austria from the earliest planning for quadripartite control of Austria to the adoption of the new control agreement of June 28, 1946.

The March meeting of the Council of Foreign Ministers at Moscow will, it is hoped, foreshadow the end of the Allied administration of Austria. As a preliminary to this meeting, the Foreign Ministers' deputies met in London from January 14 to February 25 to prepare an Austrian draft treaty. Agreement was reached by the deputies on a substantial number of clauses of the original draft treaties submitted by the United States, British, and French Governments. A prospective treaty would provide for recognition of a sovereign, independent, and democratic Austria and the termination of military occupation within 90 days from the date on which the treaty becomes effective.

The Governments of the United States, the United Kingdom, the Union of Soviet Socialist Republics, and the French Republic have declared that they wish to see reestablished a free and independent Austria and thereby to open the way for the Austrian people themselves to find that political and economic security which is the only basis of lasting peace.

The United States, in particular, has maintained that a treaty should be made with Austria restoring its full sovereignty and terminating the military occupation which has constituted one of the chief obstacles to a peacetime recovery of the country. In a recent address former Secretary of State Byrnes stated that he had urged persistently since last winter that deputies be appointed to start work on the Austrian treaty.¹

Although Austria is a small country (approximately the size of North Carolina), with an area of 32,000 square miles and a population of less than 7 million, it occupies a position of particular significance in world affairs, chiefly because of its central position in Europe. It stretches, on its long east-west axis, from the edge of the Slav lands to within 100 miles of the French frontier. This strategic crossroads location has been an essential element in determining Austria's history in the past, and today it gives the country a similar special importance in the solution of all central-European problems.

Completely absorbed within Hitler's Germany following the *Anschluss* of March 1938,² Austria suffered seven years of Nazi subjugation. At the end of the war the Austrian people were liberated from German domination by the victories of the Allies. The Austrians are now eager "to be liberated from their liberators". At a ceremonial meeting of the Austrian Houses of Parliament on October 30, 1946, Chancellor Leopold Figl emphasized the need for the restoration of full Austrian sovereignty. (The following is a translation of excerpts from Dr. Figl's remarks.)

"What is sovereignty? Sovereignty does not only mean that a country has its own government,

¹ Address delivered by Secretary Byrnes at Cleveland, Ohio, on Jan. 11, 1947 (BULLETIN of Jan. 19, 1947, p. 87).

² For text of federal constitutional law proclaiming the "reunion of Austria with the German Reich", see *Press Releases* of Jan. 1, 1938, p. 374.

a parliament which passes laws and is able to decide on minor matters of administration. Sovereignty means that the country is master in its own house. . . .

"On this occasion of the 950th anniversary of Austria, the oldest state in Europe, we once again appeal to the world public. We thank you for having liberated us, and we ask you to crown the work by giving us freedom."

The reconstruction of Austria as an independent democratic state was agreed to by the Governments of the United States, the Soviet Union, and the United Kingdom in the Moscow Declaration of November 1, 1943³ and accepted by the French Committee of National Liberation on November 16, 1943.⁴ The Four Powers have shared the view that Austria, the first free country to fall a victim to Hitlerite aggression, should be liberated from German domination; that the annexation imposed upon Austria by Germany in March 1938 should be regarded as null and void; and that they should be bound in no way by any changes effected in Austria since that date.

The American Government has frequently reaffirmed its adherence to this original Allied definition of Austria as a country liberated from forcible domination by Nazi Germany and has maintained that at no time should the conditions imposed on Austria be such as to prejudice her progress toward freedom and independence.⁵ The basic objectives of American policy in Austria are as follows:

1. Reestablishment of Austria as a free and independent state in fulfillment of the Moscow Declaration of November 1, 1943.
2. Creation of conditions for the maintenance of a democratic state and society in Austria.
3. Assurance to Austria of a basis for a healthy economic structure which will enable Austria to become independent of outside relief in the shortest possible time.
4. Restoration of Austria in the community of nations with a status of equality with other members.

Formulation of Plans for Occupation of Austria

So far as the Americans and British were concerned, the Combined Chiefs of Staff at first proposed that the Allied Planning Organization in England should coordinate arrangements for the occupation of Austria with those for Germany and that Austria should be initially under the

Mediterranean command, since forces for the occupation of Austria could be more quickly provided from the Italian theater.

The European Advisory Commission (created by the Moscow Conference of November 1943) was organized early in 1944 in London, with American, British, and Soviet delegates, and started consideration of agreements for the occupation of German-dominated countries.

Actual detailed planning for military government of Austria began in England on April 10, 1944 under an informal agreement between Supreme Headquarters, Allied Expeditionary Forces in England, and the Supreme Allied Commander in the Mediterranean.

By March 1945 the European Advisory Commission (EAC) had outlined arrangements for the four-power occupation of Austria within its 1937 frontiers by the American, British, French, and Soviet forces, one zone to be allotted to each power and Vienna to be jointly administered.

The detailed planning of military government by the American and British elements was practically completed when the war in Europe ended. Personnel was being gathered, and a training school was in operation in Italy. Early in February the U. S. Planning Staff in London had started its movement to Italy, and the British followed in March and April.

The course of events in early April 1945, however, forced drastic changes in the original plans and resulted in the transfer of control from the Mediterranean to the European theater of operations (SHAEF). Soviet forces at that time were rapidly pushing westward across Hungary. They crossed the Austrian border and captured Vienna on April 13, 1945.

The weakening resistance of the *Wehrmacht* in Germany indicated that Austria could probably be invaded from the northwest more easily than from the south. It was therefore decided that part of General Eisenhower's forces would turn south and attempt to break into Austria before the Germans could assemble their forces in the mountain masses of southern Bavaria and western Austria, the so-called "redoubt".

³ BULLETIN of Nov. 6, 1943, p. 310.

⁴ Declaration issued at Algiers by the French Committee of National Liberation.

⁵ For latest statement, "United States Policy on Status of Austria," see BULLETIN of Nov. 10, 1946, p. 864.

The transfer of responsibility for U.S. participation in the occupation of Austria from the Mediterranean to the European theater was complete, except that the Mediterranean theater was directed to furnish the military-government personnel and the headquarters staff for the occupation forces. The SHAEF military-government staff in mid-April began preparing directives for the U.S. military-government personnel in Austria, but the planning for Austria on a national level continued in the EAC and in Italy.

Early in May the U.S. element of Headquarters, 15th Army Group in the Mediterranean theater of operations, commanded by Gen. Mark W. Clark, was reorganized into Headquarters, U.S. Forces in Austria (USFA). General Clark, as Commanding General of the United States forces of occupation in Austria, was designated as United States member of the Allied Council of the Allied Commission for Austria, which was to exercise supreme authority in Austria. On July 6 command of the U.S. occupation forces in Austria passed from SHAEF to USFA, and in the first week of August 1945 USFA headquarters were moved from Italy to Salzburg.

Beginnings of Military Government in Austria

The initial or assault phase of military government in Austria technically ended on V-E Day,⁶ but it was necessary to continue tactical military government for a few weeks. The first members of the U.S. military government planning staff arrived in Austria at the end of May 1945. Conditions in the country were badly confused. Business and industry were at a complete standstill. Civil postal, telephone, and telegraph services were cut off. Many of the rail lines were out of operation. Road transport and movement on foot were restricted to four miles from the place of residence. Food and fuel were critically short. Water supply in the cities was contaminated. Courts and schools were closed. There were $\frac{1}{4}$ million German prisoners. In the area occupied by the U.S. forces, 700,000 alien displaced persons and refugees and approximately 200,000 Austrian refugees were superimposed on a normal population in this area of $1\frac{3}{4}$ million.

All forms of organized government had broken down. Government offices had been closed, and their records and files to a great extent destroyed.

March 9, 1947

The higher-ranking Nazi officials had fled to the mountains or had taken refuge in communities where they were not known to the population.

The commanders of military units assigned to the area took charge and ruled the civil population by martial law. Military-government (MG) detachments followed closely the advancing U.S. troops and on June 1, 1945 assumed responsibility for governing the U.S. zone of Austria according to the previously made plans. A directive⁷ (JCS 1369) outlining the basic policies for the military, political, and economic treatment of those portions of Austria under American jurisdiction, to be urged upon the other occupying powers for common agreement (prepared by the State-War-Navy Coordinating Committee), was transmitted to General Clark by the Joint Chiefs of Staff on June 27, 1945.

Trained MG teams gradually reestablished orderly civil administrations at the *Land* (state), *Bezirk* (county), and *Gemeinde* (community) levels. Provisional Austrian executive committees for each *Land*, *Bezirk*, and *Gemeinde* were convened, and they recommended to MG authorities suitable Austrian heads for each local governmental unit. The local MG teams retained full control of both policy and operations, and actively supervised the conduct of local government functions.

Control Machinery and Zones of Occupation in Austria

Early in June 1945 a joint British, French, and American reconnaissance party was sent to Vienna to survey the situation there and to discuss occupation arrangements with the Soviets. On the basis of the report made by this party, EAC agreements were concluded on July 4, 1945 setting up control machinery for the occupation of Austria by the Four Powers and on July 9 providing for quadripartite zonal administration.⁸

The agreement of July 9, 1945 on zones of occupation in Austria provided that forces of the United States, the United Kingdom, the Soviet

⁶ For text of act of unconditional military surrender signed in Berlin, May 8, 1945, see BULLETIN of July 22, 1945, p. 106.

⁷ BULLETIN of Oct. 28, 1945, p. 661.

⁸ For texts of two statements summarizing the agreements, see BULLETIN of Aug. 12, 1945, p. 221. A new, more liberal control-machinery agreement was signed at Vienna on June 28, 1946.

THE AUSTRIAN GOVERNMENT

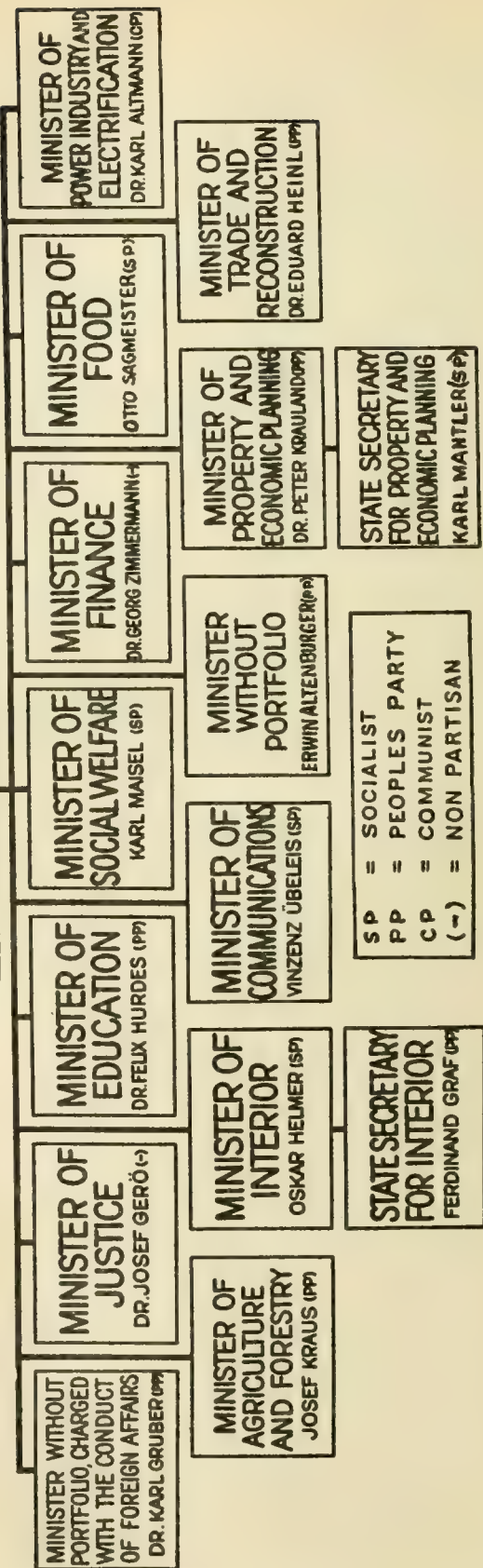
ALLIED COUNCIL

PRESIDENT OF THE FEDERAL REPUBLIC
DR. KARL RENNER (SP)

PARLIAMENT	
NATIONAL ASSEMBLY (165 MEMBERS)	GENERAL ASSEMBLY (50 MEMBERS)

FEDERAL CHANCELLOR AND FOREIGN MINISTER
ING. LEOPOLD FIGL (PP)

VICE CHANCELLOR
DR. ADOLF SCHÄRF (SP)



SP = SOCIALIST
PP = PEOPLES PARTY
CP = COMMUNIST
(-) = NON PARTISAN

USFA

ORGANIZATION, RESPONSIBILITIES, AND FUNCTIONS OF THE UNITED STATES ELEMENT, ALLIED COMMISSION FOR AUSTRIA

U.S. HIGH COMMISSIONER DEPUTY U.S. COMMISSIONER

ASSISTANT TO THE DEPUTY U.S. COMMISSIONER

1. Coordinates and directs divisions of the U.S. Element of the Allied Commission for Austria in the negotiation of allied policies with other allied nations
2. Exercises staff supervision and supervises the preparation of policy material and reports through Austrian central authorities
3. Prepares policies conforming to U.S. views
4. Coordinates the execution, implementation and supervision of approved U.S. and Allied Council policies
5. Coordinates all military government matters including civilian supplies situated outside areas in Austria occupied by U.S. troops

EXECUTIVE DIVISION

1. Coordinates among the divisions of USACA Section matters pertaining to the U.S. Element of the Allied Commission for Austria.
2. Exercises staff supervision and supervises the preparation of policy material and reports
3. Does operational functions and processes special projects

LEGAL DIVISION

1. Gives legal advice at every military government echelon
2. Provides military government organs military government courts, tribunals and other judicial bodies with legal advice
3. Screens Austrian court personnel and other legal personnel and progressively reports the Austrian courts and combats their procedures
4. Eliminates from the laws all provisions which constitute discrimination on the ground of race, creed or political opinion
5. Reviews cases of all persons held in detention on political grounds
6. Recommends regarding the detention, trial and extradition of war criminals

FINANCE DIVISION

1. Advises on all financial matters, occupational, domestic and foreign, involving Austria
2. Establishes policies and advises on budget matters for Austria
3. Arranges for the supplying of Austrian currency and postage stamps for the use of U.S. Forces

INTERNAL AFFAIRS DIVISION

1. Prepares policy matters and coordinates all matters pertaining to Education, Public Safety, Religion, Public Welfare, Public Health, Communications, Civil Service and Local Government
2. Assists Military Government agencies in applying approved policies throughout U.S. Zone in Austria.

ECONOMICS DIVISION

1. Supervises and indirectly controls the restitution of Austria's economy
2. Collects and analyzes economic data and initiates essential economic studies
3. Plans and supervises in the field of economics
4. Advises on matters relating to economics
5. Coordinates economic matters with other allies

NAVAL DIVISION

1. Prepares policies concerning and advises on demilitarization of ex-enemy naval craft and installations and concerning disposition of ex-enemy naval war materials
2. Handles administration of U.S. Naval personnel in Austria
3. Reports to higher U.S. Naval authorities on matters of U.S. Naval interest in Austria

POLITICAL DIVISION

1. Provides political information and advice
2. Formulates U.S. policy on political and international affairs of Austria

REPARATIONS, DELIVERIES AND RESTITUTION DIVISION

1. Advises on and prepares policies on reparation and restitution
2. Publishes directives and procedures implementing announced policies of restitution, reparations, monuments, and fine arts and archives
3. Maintains an office of record of all properties taken under the United States Occupied Austria
4. Effects the transfer of property to owner nations
5. Classify properties which are subject to restitution or for reparation of Austrian economy or to be used against reparation accounts

LABOR DIVISION

1. Establishes policies relating to wages, hours, conditions of work, rationing, social insurance, housing, and other labor regulations as part of establishing labor policies for the whole civilian economy.
2. Coordinates military employment and general labor policies on a quadripartite level and with Austrian labor agencies

DISPLACED PERSONS DIVISION

1. Prepares and advises on policies pertaining to housing, feeding, welfare and repatriation of Displaced Persons, Disarmed Enemy Forces and Austrian Refugees
2. Prepares and keeps records regarding status and repatriation of Displaced Persons, Disarmed Enemy Forces and Austrian Refugees

CIVILIAN SUPPLY DIVISION

1. Determines requirements and supervises distribution of food, clothing and medical supplies
2. Coordinates with relief agencies concerning importing relief supplies into Austria
3. Prepares instructions pertaining to receipt, storage, and distribution of Civil Affairs Military Government supplies

TRANSPORTATION DIVISION

1. Advises on and prepares policies concerning civil transportation throughout Austria
2. Formulates transportation policy for and executes staff functions and manages including restoration of services and rehabilitation of physical properties

MILITARY DIVISION

1. Advises on and prepares policies concerning demilitarization of Austria and the destruction and disposition of military equipment
2. Investigates matters pertaining to Austrian demilitarization

AIR DIVISION

1. Handles all matters pertaining to aviation and aviation facilities both military and civilian
2. Formulates policies and publishes directives concerning aviation in Austria

Footnote: Responsibilities Common to all Divisions

ALL DIVISIONS

1. Supervise Austrian Governmental Agencies in carrying out the policies approved by the Allied Council.
2. Implement the decisions of the Allied Council, Executive Committee, and the U.S. Commissioner on matters pertaining to the U.S. Zone.
3. Represent the U.S. at Quadripartite Division meetings.

Union, and the Provisional Government of the French Republic should occupy separate zones in Austria as follows:

The northeastern (Soviet) zone will consist of the province of Lower Austria, with the exception of the city of Vienna, that part of the province of Upper Austria situated on the left bank of the Danube, and the province of Burgenland.

The northwestern (United States) zone will consist of the province of Salzburg and that part of the province of Upper Austria situated on the right bank of the Danube.

The western (French) zone will consist of the provinces of Tyrol and Vorarlberg.

The southern (United Kingdom) zone will consist of the province of Carinthia, including Ost-Tyrol, and the province of Styria, except the area of the Burgenland.

The city of Vienna, jointly occupied by the armed forces of the Four Powers, in their respective sectors, was to be administered by an inter-Allied governing authority, composed of four Commandants operating under the general direction of the Four-Power Allied Council.

In accordance with the agreement of July 4, 1945 on control machinery in Austria, supreme authority was to be exercised jointly by the four Military Commissioners, as members of the Allied Council, in respect of matters affecting Austria as a whole, and, subject to this, full legislative, executive, and judicial authority was to be exercised by each Commissioner in his own zone of occupation. A quadripartite Executive Committee and four national elements (staffs) appointed by the governments concerned were to be responsible for advising the Allied Council and carrying out its decisions.

The primary tasks of the Allied Commission for Austria were defined as follows:

To achieve the separation of Austria from Germany;

To secure the establishment, as soon as possible, of a central Austrian administrative machine;

To prepare the way for the establishment of a freely elected Austrian Government;

Meanwhile, to provide a satisfactory interim administration of Austria.

The American, British, and French Headquar-

ters in Austria moved to Vienna late in August, and Vienna was placed under quadripartite control on September 1, 1945, and the Allied Council held its first official meeting September 11. The task of four nations attempting to reconstruct a war-torn country on the basis of a quadripartite interpretation of democracy was under way.

Provisional Austrian Government

The provisional Austrian Government was set up by the Soviets under Dr. Karl Renner in April 1945 and was reconstituted by the Austrian Provincial Conference of September 24-26, 1945 so as to broaden the basis of its political representation. An early constructive accomplishment of the Allied Council was the authorization on October 20, 1945 of the extension throughout the whole of Austria of the power of the Provisional Government subject to the guidance and control of the Allied Council as the supreme authority in Austria.⁹ The four occupying powers recognized the Provisional Government subject to the provision that national elections would be held not later than December 1945.

Austrian Federal Government

On November 25, 1945 the Austrians held a free and fair election for a national parliament and for provincial legislatures. The political campaign was conducted in an orderly manner, and the election itself was held in a way which reflected credit on the Austrian people, especially in view of the fact that they had been deprived of political freedom for seven years. Approximately 93 percent of the registered vote was cast. The People's Party won a majority of seats in the *Nationalrat* or lower house of Parliament (85 seats in a total of 165) and in all of the provincial legislatures except those of Vienna and Carinthia, which went Socialist. The Socialist Party was second in the *Nationalrat*, with 76 seats, and the Communist Party, with 4 seats, was third.

Land MG teams in the U.S. zone aided in the preparations of the Provisional Austrian Government for the elections of November 25, but the period of active MG participation in the actual operations of Austrian local government agencies terminated after the elected Federal and *Land* officials took office in December 1945. MG then assumed its present function, to study, observe, and report on the conduct of local government affairs by the Austrian administrators in the U.S.

⁹ BULLETIN of Oct. 21, 1945, p. 612.

zone. This is performed at the Federal, *Land*, and *Bezirk* levels, and involves constant observation and discussion of their operations with the appropriate Austrian officials.

The elected Federal Government was organized a week before Christmas 1945. Dr. Karl Renner became Federal President, and *Ing.* (Engineer) Leopold Figl, of the People's Party, became Federal Chancellor. The Cabinet was organized on a coalition basis, with representatives of all three parties. The four occupying powers extended *de jure* recognition of the Republic on January 7, 1946,¹⁰ and later exchanged political representatives with the Austrian Government.¹¹

Constitutional Basis of the Government

On April 27, 1945 the three anti-Nazi parties in Austria adopted a five-point proclamation which declared the 1938 annexation of Austria by Germany to be null and void and designated Austria a democratic Republic to be organized in the spirit of the Constitution of 1920.

The Provisional Government of Austria endorsed this three-party proclamation as its initial basis for constitutional legality. This declaration of Austrian independence was submitted to the elected *Nationalrat* and was approved in the opening session of December 19, 1945.

Subsequent to that initial proclamation, the Provisional Government of Austria issued several transitional constitutional laws to provide for legal continuity with the former Austrian Republic and to define more precisely the constitutional framework of the new state. The general purposes underlying this constitutional legislation were (1) to be guided by the old Constitution of 1920 in its amended form of 1929; (2) to pass certain emergency decrees indispensable for the immediate period of reconstruction after defeat; and (3) to leave the form of a final constitution up to the Federal Parliament after the elections.

For example, the Provisional Government on May 13, 1945 adopted a transitional constitutional law declaring the Constitution of the former Republic in its 1929 form to be "in force" again, together with all other Federal laws and decrees issued under that Constitution prior to March 5, 1933. By the same measure, all constitutional laws and legislative as well as executive decrees issued after March 5, 1933 were abrogated. This measure disposed of the authoritarian, corporative

Constitution of 1934 passed by the Dollfuss government as well as all Nazi legislation passed since March 13, 1938.

The Provisional Government also adopted on May 13, 1945 a transitional constitutional law in the form of a draft "Temporary Constitution". This draft set up provisions for the authorities and functions of the new Austrian Government within the general framework of the old Constitution. It stated, however, that the powers assumed by the Government under this draft were temporary and that it would be left to a freely elected Federal Parliament to decide whether the final constitutional form of the new Austrian state should follow in every respect the Constitution of 1920 as amended. These transitional constitutional laws were submitted to the *Nationalrat* at its first session on December 19, 1945 and were approved.

The first national elections in Occupied Austria on November 25, 1945 were based in general on the electoral provisions of the old Constitution in its amended form of 1929. The most important deviation was the denial to former members of the Nazi Party of the right to vote and to be elected. The subsequent convening of the new Federal Parliament, the appointment of a new Federal Chancellor, and the election of a Federal President also followed the procedures laid down in the amended Constitution of 1929.

The new Austrian Government has also indicated that it still considers valid the law adopted by the former Austrian Republic on April 3, 1919 (and incorporated in the old Constitution as article 149, i) concerning the expulsion from Austria of members of the Hapsburg family who have not declared their loyalty to the Republic. In connection with this law the Federal Ministry of the Interior, with the consent of the Allied occupation authorities, on January 18, 1946 took measures to expel members of the House of Hapsburg who had returned to Austria illegally, and to disband

¹⁰ For announcement of recognition by the United States, see *BULLETIN* of Jan. 20, 1946, p. 81.

¹¹ For announcement of appointment of John G. Erhardt as U. S. Political Representative to the Austrian Government, serving simultaneously as Political Adviser to General Clark, and of Ludwig Kleinwaechter as Austrian Representative in the United States, see *BULLETIN* of Feb. 3, 1946, p. 177. Mr. Erhardt presented his credentials as American Minister to Austria on Sept. 7, 1946, and Mr. Kleinwaechter presented his credentials as Austrian Minister to the United States on Dec. 4, 1946.

the chief organization agitating for the restoration of the monarchy in Austria, the Federal League of Austrians.

At its meeting on March 25, 1946, the Allied Council, because of the Soviet veto, failed to approve the interim constitution submitted by the Austrian Government. At the same time the Council requested the Government to submit a new constitution by July 1, 1946.

The Austrian Government did not produce a new constitutional document when the deadline of July 1, 1946 arrived, and no further action has been taken on this matter. For all practical purposes, therefore, the Austrian Constitution is that of 1920 as amended in 1929, with supplementary constitutional laws passed since the liberation. None of the political groups has indicated that it favors any radical departures from this old Constitution.

Control Agreement for Austria, June 28, 1946

The control-machinery agreement for Austria which was signed in the EAC on July 4, 1945 provided (article 14) that a new agreement was to be made after a freely elected Austrian Government had been established and recognized by the Four Powers.

After long quadripartite study and discussion, the new agreement was completed, and it was signed in Vienna on June 28, 1946 by the four Allied Commanders in Chief on behalf of their respective governments.¹² It is one of the most important administrative measures that has come before the Allied Commission.

The primary tasks of the Allied Commission are defined in article 3 as follows:

“(a) To ensure the enforcement in Austria of the provisions of the Declaration on the Defeat of Germany signed at Berlin on 5th June, 1945; ¹³

“(b) To complete the separation of Austria from Germany, and to maintain the independent existence and integrity of the Austrian State, and pending the final definition of its frontiers to ensure respect for them as they were on 31st December, 1937;

“(c) To assist the Austrian Government to recreate a sound and democratic national life based on an efficient administration, stable economic and

financial conditions and respect for law and order;

“(d) To assist the freely elected Government of Austria to assume as quickly as possible full control of the affairs of state in Austria;

“(e) To ensure the institution of a progressive, long-term educational program designed to eradicate all traces of Nazi ideology and to instill into Austrian youth democratic principles.”

The Allied Commission for Austria is composed of the Allied Council, the Executive Committee, and the staffs. The authority of the Allied Commission in matters affecting Austria as a whole continues to be exercised by the Allied Council, or the Executive Committee, or the staffs appointed respectively by the Four Powers, when acting jointly; and the decisions of any component part of the Commission must be unanimous. Each High Commissioner may be assisted in the Allied Council by a political adviser and/or a military adviser who may be respectively the diplomatic or political representative of his Government in Vienna or the Commander in Chief of the forces of his Government in Austria. Members of any body of the Allied Commission may be either military or civilian.

Within their respective zones of occupation in Austria and Vienna, as defined in the EAC agreement of July 9, 1945, the High Commissioners, one appointed by each of the Four Powers, insure the execution of the decisions of the Allied Commission and supervise the activities of the central Austrian authorities. They also insure that the actions of the Austrian provincial authorities deriving from their autonomous functions do not conflict with the policy of the Allied Commission.

The Executive Committee, composed of one deputy of each of the High Commissioners, acts on behalf of the Allied Council in matters delegated to it by the Council, insures the implementation of its own decisions and those of the Council, and supervises the activities of the staffs of the Allied Commission.

The staffs of the Commission are organized into the following eight divisions which correspond to one or more ministries or departments of the Austrian Government: Internal Affairs (Interior and Chancery, except Foreign Department); Political (Chancery, Foreign Department); Legal (Law and Justice); Finance (Finance); Education (Public Education and Religious Affairs); Social Administration (Social Administration); Eco-

¹² BULLETIN of July 28, 1946, p. 175.

¹³ BULLETIN of June 10, 1945, p. 1051.

conomic (Economic Planning and Property Control; Commerce and Reconstruction; Food; Agriculture and Forestry; and Electrification and Power); and Transport and Communications (Transportation); and the following five divisions which do not parallel any Austrian ministry or department: Reparations, Deliveries, and Restitution; Prisoners of War and Displaced Persons; Naval; Military; and Air.

These divisions, each headed by four Allied directors collectively known as the Directorate of that division, maintain contact with the appropriate departments of the Austrian Government and take such actions and issue such directions as are required within the policy approved by the Allied Council or the Executive Committee.

The Allied Secretariat consists of four national secretaries, each of whom serves in turn for one month as the chief secretary, this rotation corresponding to that of the chairmanship of the Allied Council. The functions of the Secretariat are as follows:

(a) To prepare all papers, documents, and subjects which are to be considered by the Allied Council and Executive Committee.

(b) To prepare the official minutes of the meetings of the Allied Council and Executive Committee.

(c) To receive, process, and distribute all correspondence, documents, and other papers directed to the Allied Council and the Executive Committee.

(d) To serve as the channel of communication between the Allied Council and the four national elements, the thirteen quadripartite divisions of the Commission, the Vienna Inter-Allied Command, the Austrian Government, and all outside governments, agencies, and individuals.

As a transitional measure pending final agreement among the Four Powers on a treaty with Austria, the new control agreement constitutes a definite step toward the goal of restoring Austrian sovereignty, since it reduces the authority of the Allied Council and increases the administrative, legislative, and commercial responsibility of the Austrian Government so far as possible under continued military occupation.

The authority of the Austrian Government is extended fully throughout the state subject only to the reservations that the Austrian Government (1)

is required to carry out any directions received from the Allied Commission and (2) may not take action without the prior written consent of the Allied Commission with respect to such occupation activities as demilitarization and disarmament, the protection and restitution of property belonging to Allied nationals, the disposal of German property in accordance with existing agreements between the Allies, and the care of prisoners of war and displaced persons.

Article 6 of the new control agreement gives the Austrian Government a large measure of legislative freedom and provides that only constitutional laws will require the written approval of the Allied Council. International agreements may be made with one or more of the Four Powers without Allied Council approval, but the Austrian Government is required to communicate such agreements to the Allied Council for its information. All legislative measures and international agreements except agreements with one of the Four Powers, are submitted to the Allied Council by the Austrian Government before they take effect or are published in the State Gazette, but these measures and agreements become effective automatically 31 days after the time of receipt unless unanimously vetoed by members of the Allied Council. Unanimous veto by the Allied Council is necessary to nullify Austrian legislation of a non-constitutional nature. Laws of a constitutional nature, however, must have unanimous approval by the Allied Council before promulgation by the Austrian Government.

Article 7 clarifies Austria's legal status and promotes the recognition of Austrian independence by other countries. It authorizes the establishment of diplomatic and consular relations between Austria and the governments of the United Nations, but the establishment of diplomatic and consular relations with other governments is subject to the prior approval of the Allied Council.

The agreement provides that, in order to facilitate the full exercise of the Austrian Government's authority equally in all zones and in order to promote the economic unity of Austria, the Allied Council will ensure the removal of all restrictions on the movement within Austria of persons, goods, and other traffic, so that the zonal barriers will have no other effect than to indicate the spheres of authority and responsibility of the respective

(Continued on page 435)

Submission of U.S. Draft Trusteeship Agreement for Japanese Mandated Islands

STATEMENT BY U.S. REPRESENTATIVE¹

Mr. President, the United States, like other nations adhering to the United Nations Declaration of January 1, 1942, subscribed to the Atlantic Charter principle that "their countries seek no aggrandizement, territorial or other."

It was for the purpose of making clear that the United States adheres unswervingly to this principle that the President of the United States on November 6, 1946 declared our intentions regarding Pacific islands whose control by Japan enabled her to attack the United States. The President said:

"The United States is prepared to place under trusteeship, with the United States as the administering authority, the Japanese Mandated Islands and any Japanese islands for which it assumes responsibility as a result of the second World War. In so far as the Japanese Mandated Islands are concerned, this Government is transmitting for information to the other members of the Security Council (Australia, Brazil, China, Egypt, France, Mexico, the Netherlands, Poland, the Union of Soviet Socialist Republics, and the United Kingdom) and to New Zealand and the Philippines a draft of a strategic area trusteeship agreement which sets forth the terms upon which this Government is prepared to place those islands under trusteeship. At an early date we plan to submit this draft agreement formally to the Security Council for its approval."

Final disposition of islands belonging to Japan must, of course, await the peace settlement with Japan. The draft trusteeship agreement submitted to the Security Council for its approval re-

lates only to the former Japanese Mandated Islands, which never belonged to Japan but were a part of the League of Nations mandate system. The United States has consistently and strongly supported the position of the General Assembly that former mandated territories should be placed under the trusteeship system as soon as possible.

The General Assembly, at the first part of its first session, called on "those members of the United Nations which are now administering territories held under mandate" to undertake practical steps for the implementation of article 79 of the Charter. Since the United States was, and is, occupying the territory formerly mandated to Japan, the United States desired to play its part in attaining the objectives of the General Assembly resolution, namely that trusteeship agreements for all former mandated territories should be concluded promptly and the trusteeship system organized as soon as possible.

The Japanese Mandated Islands—the Marshalls, Marianas, and Carolines—consist of some 98 islands and island clusters with a total land mass of only 846 square miles, a total population of only about 48,000 native inhabitants, and negligible indigenous economic resources.

The tremendous strategic value of the Mandated Islands to Japan is evident, however, in the way these islands were used in carrying out its basic plan of aggression. Before Japan entered the war on December 7, 1941, she had established fortified positions, naval bases, and air bases in the islands of the Japanese Mandates. As a whole, the islands formed a deep, well-defended barrier between the United States and Guam, the Philippines, and its British and Dutch Allies in the Far East.

The major part of the Japanese submarines which participated in the attack on Pearl Harbor staged through Kwajalein in the Marshall

¹ Made before the Security Council on Feb. 26, 1947, and released to the press by the U.S. Delegation to the United Nations on the same date. Warren R. Austin is the U.S. Representative to the United Nations.

Islands. From this same base, Japanese submarines continued to carry out extensive operations against the United States shipping in the eastern half of the Pacific Ocean for years.

Air bases and amphibious staging points in the Marianas facilitated the capture of Guam in December 1941.

Air forces and naval forces operating from the Marshalls were used in the capture of Wake Island.

On the outbreak of war, the Japanese Mandated Islands, with their naval and air forces and shore defenses, served to screen and protect the southward advance of the Japanese against the Philippines and British and Dutch possessions in the southwestern Pacific Ocean.

The Palau group in the western Carolines served as the main forward support base for the attack on the Netherlands East Indies and Timor.

It was this interlocking network of naval and air bases in the Mandated Islands that prevented sending early and effective support to China except by circuitous and highly difficult routes.

The atoll of Truk was used by the Japanese as a great naval and air base from which they launched their attacks against New Britain, New Ireland, New Guinea, and the islands of the Solomons chain. It was a base for their projected attack against Australia. From Truk and other bases Japanese naval and air forces could and did penetrate to the eastward to threaten the Allied lines of communications between the United States, Australia, and New Zealand.

Until they were reduced, or by-passed and rendered innocuous by air and naval attack, the Mandated Islands threatened our lines of communications to Australia and prevented our early return to the aid of the Philippines and to China. It was only after neutralization of Truk and capture of Peleliu and Angaur in the Palaus that it was feasible to return to the Philippines, and it was only after capture of the Marianas that serious military pressure could be placed on Japan itself by our B-29's.

Tens of thousands of American lives, vast expenditures of treasure, and years of bitter fighting were necessary to drive the Japanese aggressors back from these islands. These islands constitute an integrated strategic physical complex vital to the security of the United States.

The American people are firmly resolved that this area shall never again be used as a springboard

for aggression against the United States or any other member of the United Nations.

Most of the strategically important areas of the world, including those in the Pacific, are at present under the exclusive sovereignty of various of the larger nations. The United States, however, is proposing trusteeship rather than annexation as the basis for its administration of these highly strategic islands.

In undertaking to place under trusteeship a territory of such strategic importance to the United States as these islands, the United States is expressing its faith in the United Nations.

Our purpose is to defend the security of these islands in a manner that will contribute to the building up of genuine, effective, and enforceable collective security for all members of the United Nations.

The first of the four basic objectives of the trusteeship system set forth in article 76 of the Charter is "to further international peace and security". Since the area of the former Japanese Mandated Islands is of paramount strategic importance, the United States proposes, in accordance with article 82 of the Charter, that the trust territory be designated a strategic area.

In preparing this draft trusteeship agreement, the Government of the United States gave long and careful study not only to the Charter as a whole and to its specific provisions for strategic needs in special areas, but also to the draft agreements for non-strategic areas recently submitted to the General Assembly by five of the mandatory powers. This draft trusteeship agreement is viewed by the Government of the United States as conforming, in substance and in form, with the Charter and as promoting the interests both of the inhabitants of the islands and of the United Nations. It contains the terms upon which the United States is prepared to administer the former Japanese Mandated Islands as a trust territory.

In conformity with the provisions of the Charter for strategic areas the trust territory will contain bases. Many atolls in the territory have potential value as base sites or as anchorages. Few such sites, however, are being developed and maintained at present.

The United States will administer this strategic trust territory in accordance with the provisions of the Charter. In particular, the United States will administer the territory in accordance with the

obligations contained in article 2, paragraph 4, to "refrain . . . from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the Purposes of the United Nations."

The United States as administering authority will insure that this trust territory shall play its part in the maintenance of international peace and security in accordance with its obligation under article 1 of the Charter—"to take effective collective measures for the prevention and removal of threats to the peace, and for the suppression of acts of aggression or other breaches of the peace". Its administration will also be in accordance with article 84 of the Charter, relating to the part to be played by trust territories "in carrying out the obligations towards the Security Council" of the administering authority.

The United States intends, therefore, to include this trust territory as fully as those territories under its sovereignty in the special agreement or agreements it will conclude with the Security Council for the provision to the United Nations of "armed forces, assistance, and facilities, including rights of passage, necessary for the purpose of maintaining international peace and security" as envisaged under article 43 of the Charter.

Pending conclusion of these permanent agreements under article 43 the United States will undertake that these islands play their part in whatever action the United States may be called upon to take in accordance with the obligations imposed by article 106 relating to transitional security arrangements.

The United States draft agreement provides that the administering authority may from time to time specify certain areas as closed for security reasons. This provision will not, of course, prejudice the full application to the entire trust territory of all international control and inspection measures that become part of a system of international control of atomic energy, other weapons of mass destruction, and conventional armaments.

The United States is willing to submit to international supervision, as provided in the agreement, the political, economic, social, and educational development of the inhabitants of the trust territory. It is equally willing to submit military and naval installations to whatever degree of supervision and control may be provided by agree-

ments for the international control of armaments and armed forces.

In preparing this draft trusteeship agreement the Government of the United States bore constantly in mind article 73 of the Charter:

"Members of the United Nations which have or assume responsibilities for the administration of territories whose peoples have not yet attained a full measure of self-government recognize the principle that the interests of the inhabitants of these territories are paramount, and accept as a sacred trust the obligation to promote to the utmost, within the system of international peace and security established by the present Charter, the well-being of the inhabitants".

The United States Government believes that the draft trusteeship agreement now before you conforms fully with this principle in its provisions for the political, economic, social, and educational advancement of the inhabitants of the trust territory.

Although this is a strategic area vital to that system of international peace and security to which articles 73 and 76 refer, the United States draft agreement goes beyond the requirements of the Charter in strategic areas: It provides that articles 87 and 88—relating to reports, petitions, visits, and questionnaires in non-strategic trusteeship areas—shall be applicable to the whole of this trust territory, except that the administering authority may determine the extent of applicability in any areas which may from time to time be specified by the administering authority as closed for security reasons. This exception has been made in recognition of the fact that an administering authority of a strategic trust territory should have the authority necessary to safeguard the installations established in the discharge of its responsibilities for the maintenance of international peace and security.

It is true that the fulfilment of the basic objectives of the trusteeship system will depend in all trust territories—and this territory is no exception—upon the good faith of the administering authority as well as upon effective supervision by the United Nations.

I can assure you on behalf of the Government of the United States that the United States will faithfully support the principle of effective supervision by the United Nations as fully in this trust territory as in any other trust territory within the limits imposed by its obligation to administer

this area in such a way as to preserve the security of the United States and to strengthen collective security under the United Nations.

Articles 6 and 7 of the draft trusteeship agreement submitted to the Security Council contain strong provisions relating to the political, economic, social, and educational advancement of the inhabitants of this territory and to guaranties of their basic human rights. These are the fundamental objectives of the trusteeship system, aside from the strengthening of international peace and security. The United States is glad to invite the members of the Security Council to make a searching examination of the provisions contained in these articles not only in relation to the requirements of the Charter but in relation to the comparable provisions of the trusteeship agreements approved by the General Assembly last December. The United States believes these articles, taken together with other provisions of the draft agreement, provide a maximum degree of protection for the welfare and advancement of the inhabitants of these islands.

The United States believes it has fulfilled the requirements of article 79 of the Charter, first by transmitting copies of a draft trusteeship agreement for the former Japanese Mandated Islands to all members of the United Nations which, in the view of the Government of the United States, may have special interests in these islands, and now by formally submitting the draft agreement to the Security Council for its approval.

The United States Government does not consider that there is any barrier to the placing of these islands under trusteeship in accordance with the Charter whenever the Security Council approves the draft agreement.

As a result of the war, Japan has ceased to exercise, or to be entitled to exercise, any authority in these islands. The islands were entrusted to Japan under mandate from the League of Nations following the first World War. In utter disregard of the mandate Japan used the territories for aggressive warfare, contrary to the law of nations, against the United States and others of the United Nations. By Japan's criminal acts of aggression, she forfeited the right and capacity to be the mandatory of the islands. The termination of Japan's status as mandatory in the islands has been frequently affirmed, as in the Cairo Declaration of 1943,¹ subsequently reaffirmed in the Potsdam

Declaration² and in the instrument of surrender accepted by the powers responsible for Japan's defeat.³

All authority in these islands is now exercised by the United States. The United States in repelling Japanese aggression occupied, and is in possession of, the former Japanese Mandated Islands. This Government is not aware that any other member of the United Nations has asserted any claim for trusteeship of these islands. All the members which may have special interests in the islands have been sent copies of the draft agreement which the United States, as the responsible administering authority in the islands, has submitted to the Security Council.

Under the above circumstances, it is the view of this Government that the conclusion of a trusteeship agreement, pursuant to the Charter, for the former Japanese Mandated Islands clearly can take effect at this time and does not depend upon, and need not await, the general peace settlement with Japan.

The United States Government considers that it has fulfilled its immediate responsibility to the United Nations by having responded on last November 6 to the call of the General Assembly and by taking this occasion today to submit the draft agreement to the Security Council and to present some of the more important aspects of the agreement.

The United States Government will continue to administer the former Japanese Mandated Islands in the spirit of the proposed trusteeship and in conformity with the provisions of the draft agreement which implement the basic objectives of the trusteeship system during the time these proposals are under consideration.

It is the profound belief of the Government of the United States and of the American people that the administration of these islands by the United States in accordance with the terms of this draft agreement would contribute both to the maintenance of international peace and security and to the well-being and advancement of the inhabitants of the islands.

¹ *Toward the Peace* (Department of State publication 2298), p. 14.

² For proclamation defining terms for Japanese surrender, see BULLETIN of July 29, 1945, p. 137; for Tripartite Conference at Berlin, see BULLETIN of Aug. 5, 1945, p. 153.

³ BULLETIN of Sept. 9, 1945, p. 362.

EXPLANATORY COMMENTS ON DRAFT AGREEMENT¹

On Article 1

The entire territory of the Pacific Islands is designated as strategic under the provisions of article 82 of the Charter in order to enable the United States to safeguard its own national security and at the same time to discharge its obligations for general security under the United Nations. The importance of these requirements was clearly shown in the last war.

It should be noted, of course, that the geographical extent of the trust territory is based upon the mandate formerly held by Japan. The three archipelagos in the trust territory include 98 islands and island clusters, with a total land area of 846 square miles inhabited by 48,297 natives. This agreement applies only to the Japanese Mandated Islands and does not apply to any islands under Japanese sovereignty for which the United States may become responsible.

On Article 2

Although the United States has not been the mandatory power responsible for these islands, the United States was primarily responsible for their liberation, is presently responsible for their administration, and considers them essential to the security of this country and to the maintenance of international peace and security. For these reasons this Government considers that the United States should be designated as the sole administering authority. Such a designation is in accord with action recently taken by the General Assembly with respect to the several trusteeship agreements, wherein in each case a single member of the United Nations is designated as the administering authority.

On Article 3

This article is similar to the relevant provision of article XXII of the Covenant of the League of Nations and of the terms of the original "C" Mandates, as well as to corresponding articles in the trusteeship agreements recently approved by

the General Assembly. The words "as an integral part" of the United States are carried over from the original mandate to Japan and appear in other trusteeship agreements approved by the General Assembly. The phrase does not, of course, imply sovereignty over the territory.

On Article 4

This article explicitly places the United States under obligation to apply the objectives of the international trusteeship system to the people of the trust territory. Since these objectives were designed primarily for the protection and benefit of the inhabitants, this undertaking on the part of the United States is of fundamental importance. In articles 5, 6, 7, and 8 the draft agreement outlines the specific measures by which the United States proposes to implement these objectives.

On Article 5

This article specifies the military measures which the United States may take in the trust territory to assist in the maintenance of international peace and security and to safeguard the security of the United States.

Similar provisions are contained in the trusteeship agreements approved by the General Assembly.

Since, according to article 84 of the Charter, it is "the duty of the administering authority to insure that the trust territory shall play its part in the maintenance of international peace and security," this article has been designed to list some of the powers necessary to fulfil that obligation and any obligation assumed under article 43 of the Charter.

On Article 6

These provisions elaborate the general objectives of article 76 (b) of the Charter and constitute a considerable advance over the terms of the original mandate.

This article refers to the development of the people of the territory as being directed specifically toward "self-government" rather than "self-government or independence" incorporated in article 76 (b) of the Charter. This article is not a

¹ Excerpts from U.S. Delegation document US/S/119 of Feb. 26, 1947. For text of draft agreement, see BULLETIN of Nov. 17, 1946, p. 889; for an article on trusteeship by Ralph J. Bunche see BULLETIN of Dec. 30, 1945, p. 1037.

prior judgment of the ultimate status of the trust territory but merely reflects its sparse, highly scattered population, its relatively underdeveloped, indigenous central government, and its lack of economic resources.

On Article 7

There were no comparable guaranties of freedom of speech, of the press, of assembly, and of migration and movement in the original mandate. The present article adds "freedom of migration and movement" to the other freedoms referred to in the agreements approved by the General Assembly. The provision that these freedoms are subject not only to the requirements of public order, as in other trusteeship agreements, but also to the requirements of security, is considered necessary in view of the fact that the trust territory is a strategic area.

The right of petition is provided for in article 13 of this agreement.

On Article 8

1. The intent of this paragraph is to insure the greatest freedom of international participation in the economy of the trust territory consistent with the basic prerequisite of insuring that its role as a strategic area is not interfered with. Accordingly, it provides for most-favored-nation rather than national treatment in the territory for all members of the United Nations.

The United States does not intend to take advantage for its own benefit of such meager and almost non-existent resources and opportunities as may exist in these scattered and barren islands.

The Charter makes a specific exception to the application of economic principles affecting members of the United Nations when the area concerned is a strategic one. This exception is contained in article 83 (2) of the Charter of the United Nations, which provides that the basic objectives of article 76 "shall be applicable to the *people* of each strategic area" rather than to the territory as a whole or to people in other territories. Article 76 (d) also provides that the objectives contained therein shall not prejudice "the attainment of the foregoing objectives", including that of international peace and security. Since security is the overriding consideration in a strategic area, economic treatment is required which will be compatible with this objective.

2. This provision is in accordance with article 76 (d) of the Charter and insures equal treatment for the nationals of all members of the United Nations in the administration of justice.

3. The purpose of this provision is to state explicitly what has already been accepted in international practice; namely, that air-traffic rights which concern the picking up and discharge of passengers, mail, and cargo are subject to specific bilateral agreements. Thus, irrespective of what form of economic treatment for non-territorial interest might be provided in any trusteeship agreement, air-traffic rights would remain subject to bilateral agreements. Air-transit rights, on the other hand, are covered by the Chicago convention on international civil aviation, a multilateral agreement.

4. The intent of this paragraph is to protect the interests of the inhabitants of the trust territory in the economic treatment and other rights which they may obtain outside the trust territory. Since this agreement applies to a strategic area, the rights of other members of the United Nations in the territory are of a most-favored-nation character. The paragraph, therefore, provides that the United States may negotiate and conclude appropriate international agreements which will attain for the inhabitants of the trust territory most-favored-nation treatment by members of the United Nations. In addition, it provides that the Security Council or, at its invitation, other organs of the United Nations may recommend what other rights the inhabitants of the trust territory should acquire in consideration of the rights obtained by members of the United Nations in the trust territory.

On Article 9

This article should be read in connection with article 3 of the draft agreement, which provides in part that the administering authority shall have full powers of administration over the territory as an integral part of the United States. Both articles 3 and 9, it should be noted, are made subject to the terms of this agreement. The substance of article 9 permits customs, fiscal, or administrative union or federation with other territories under United States jurisdiction. It is practically identical with similar provisions in four of the agreements approved by the General Assembly. Provision for such union or federation is obviously desirable to insure the efficient administration of

such island areas as Saipan which will face many problems common to the nearby island of Guam. However, such a provision does not imply sovereignty over the trust territory.

On Article 10

This article, which is permissive in character, seems particularly appropriate for the trust territory in that it offers the inhabitants an opportunity to benefit from association with other peoples who face similar problems. Such association would enable them to develop a regional economy, to take advantage of technical studies on common problems, and to participate effectively in furthering their own development. The advantages of regional organization have been demonstrated by the Caribbean Commission. Similar developments are also under way in the South Pacific.

On Article 11

1. The status of citizenship will tend to create a common bond among peoples who otherwise might feel no unity and consequently would have difficulty in working toward the objectives of the trusteeship system as set forth in article 76 of the Charter.

Diplomatic and consular protection of the inhabitants of the trust territory when outside the territorial limits of the trust territory or of the territory of the administering authority serves not only to provide a necessary service but also to establish the rights of the inhabitants under international law.

On Article 12

This article constitutes an international commitment upon the part of the United States to implement by legislation the provisions of the trusteeship agreement.

On Article 13

The intent of this paragraph is to insure that the functions of the Trusteeship Council in regard to non-strategic trust territories may be appropriately applied to the strategic trust territory covered by this agreement.

The Charter itself provides for supervision over strategic areas in only the most general terms. Article 83 states merely that "All functions of the United Nations relating to strategic areas . . . shall be exercised by the Security Council" and that "The Security Council shall . . . avail

itself of the assistance of the Trusteeship Council to perform those functions . . . relating to political, economic, social, and educational matters in the strategic areas." No indication is given as to what those "functions" should be. Accordingly, article 13 of the draft agreement provides that articles 87 and 88 of the Charter—relating to reports, petitions, visits, and questionnaires concerning non-strategic areas—shall be applicable to the trust territory, even though it is designated as a strategic area, except that the administering authority may determine the extent of applicability in any areas which may, from time to time, be specified by the administering authority as closed for security reasons.

This exception has been made in recognition of the fact that an administering authority of a strategic trust territory should have, in the discharge of its responsibilities for the maintenance of international peace and security, the authority necessary to safeguard the installations established for that purpose. It is permitted under article 83 (3) of the Charter, which wisely provides that the functions of the Trusteeship Council in strategic areas shall be "subject to the provisions of the trusteeship agreements *and without prejudice to security considerations*".

Article 13 of the draft agreement states only that the *extent* of applicability of article 87 and 88 of the Charter may, in "closed" areas, be determined by the administering authority. Hence, even in such areas the Trusteeship Council can, and normally would, be authorized to request and consider reports submitted by the administering authority, to accept petitions and examine them in consultation with the administering authority, and otherwise to keep itself informed of the political, economic, social, and educational development of the inhabitants.

Any agreement arising out of (a) the regulation of armaments, including the principle of inspection, or (b) the assignment of forces and facilities to the Security Council under article 43 of the Charter would apply to the strategic areas of the Japanese Mandated Islands in the same way as to any United States territory.

On Article 14

This provision will secure for the inhabitants of the territory the benefits of all appropriate inter-

national conventions and recommendations, including agreements which already exist as well as those which may be adopted in the future by the United Nations and its specialized agencies.

On Article 15

Under this provision, the United States as the administering authority of the trust territory would occupy the same position with respect to amendment of this agreement as the administer-

ing authorities of other trust territories with respect to the agreements for those territories.

On Article 16

This article merely defines the steps necessary for the agreement to come into force under the Charter of the United Nations and the Constitution of the United States. Article 83 of the Charter provides that the terms of trusteeship agreements relating to strategic areas must be approved by the Security Council.

U.S. Participation in International Refugee Organization

THE PRESIDENT'S RECOMMENDATION TO THE CONGRESS¹

To the Congress of the United States of America:

I recommend that the Congress authorize the United States to participate as a member of the International Refugee Organization.

As an aftermath of the war, there are more than one million displaced persons remaining in Germany, Austria, and Italy. Almost two thirds of these are under United States care and control. The Allied military victory over the Axis Powers brought with it a practical and moral responsibility with reference to these victims of the Axis.

The General Assembly of the United Nations has considered the problem of these displaced persons carefully and at great length. At the first session in London, certain basic principles were established. It was agreed that this problem is international in scope and nature; that every effort should be made to facilitate the repatriation of displaced persons who desire to return to their homelands; that displaced persons who have valid objections to return should not be forced to do so, but should be cared for by an international agency until new homes can be found for them elsewhere. Between the January and October sessions of the General Assembly, the Economic and Social Council made a detailed study of the entire problem and recommended the establishment of an International Refugee Organization which would provide an integrated and effective solution. At the meeting of the General Assembly in New York which ended in December, the draft constitution recommended by the Economic and

Social Council was adopted. The United States Representative to the United Nations, Senator Warren Austin, signed the constitution of the International Refugee Organization subject to subsequent approval by the Congress.

This constitution represents an earnest effort by the United Nations to solve one of the most poignant and difficult problems left in the wake of the war. The organization to be created will have no governmental powers. It can in no way alter the statutes of any of its members. It can obtain funds only by appropriations by the constitutional processes of its members. It will be solely a service organization to aid in the solution of a common problem. I am confident that with the full support of the United States the International Refugee Organization will demonstrate the practical effectiveness of cooperation and understanding among nations. The participation of this Nation in the Organization was proposed in my budget message for the fiscal year 1948, and provision was made for the necessary funds within the proposed budget.

With respect to those displaced persons in our own areas of occupation, the United States Army has an excellent record of performance in a field which is not traditionally the responsibility of soldiers. The Army from the first recognized the need for making the maximum use of international civilian agencies, and has done so. With the

¹ Released to the press by the White House Feb. 24, 1947.

forthcoming termination of the supply of civilian personnel from other organizations now used in the care and supply of displaced persons, I believe that it is of the utmost importance that the International Refugee Organization be established as soon as possible. It would indeed be serious if it were not in a position to begin operations on July 1 of this year.

It is not unreasonable that many of the other potential members of the International Refugee

Organization should watch closely the attitude of the United States before making their own definite commitments. I feel sure that with the firm and prompt leadership of the United States, this organization will be in a position to function as an international body to perform an essentially international service.

HARRY S. TRUMAN

THE WHITE HOUSE
February 24, 1947

Congressional Hearings on IRO Constitution

LETTER FROM THE SECRETARY OF STATE TO SENATOR VANDENBERG¹

February 24, 1947

DEAR SENATOR VANDENBERG:

I would be grateful if you would bring to the attention of the Committee on Foreign Relations the following remarks pertaining to S.J. Res. 77, a bill to authorize U.S. membership in the International Refugee Organization. I regret that the intensive preparations required for the forthcoming meeting of the Council of Foreign Ministers in Moscow make it impossible for me to present these views in person.

At the climax of the war in Europe, on April 20, 1945, to be exact, I transmitted to the leaders of the Congress an urgent message from the Supreme Commander of the Allied Expeditionary Force. In that message General Eisenhower referred to the "unspeakable conditions" found in the concentration camps then being liberated by our advancing armies. He invited the Congressional leaders to make a flying trip to Germany to see for themselves "the full evidence of the cruelty practiced by the Nazis in such places as normal procedure."

With a deep sense of responsibility, a bi-partisan committee of twelve Senators and Representatives dropped their current business and departed by air for Germany. They saw for themselves; and through their eyes, the whole country saw too. The report of this joint committee, signed by all twelve members, ranks in my opinion as an his-

toric document. It described vividly the tragic plight of those who were victimized by the Nazis. It recorded firm determination to do every thing possible to right the appalling wrongs perpetrated by the enemy. It was a moral mandate, to soldier and civilian alike, to exert every effort to help these unfortunate people.

Almost two years have elapsed since that joint Congressional report. More than 3½ million of our soldiers have been returned from the European battleground. Seven million displaced persons have been assisted to return to their homes from areas under the control of the Western Allied Armies. Many of the German war criminals responsible for the suffering and dislocation of these people have been tried and punished. However, some of the victims of Nazi concentration camps are still in displaced persons centers in our Occupied Areas. We also have many others who, although not actually confined in concentration camps, had been uprooted from their homes by the Nazis and brought to Germany for forced labor. They are still there. Why? Because we will not force them back against their will to the countries from which they were uprooted; and because they have not yet been resettled elsewhere. We are now faced with this pressing question: What is to happen to these people?

My distinguished predecessor, Mr. Byrnes, established the policy that the future care and disposition of these displaced persons is a collective international responsibility just as was the military defeat of Germany and the punishment of

¹Released to the press Mar. 1, 1947. Senator Vandenberg is Chairman of the Senate Committee on Foreign Relations.

Nazi war criminals. This policy was determined and supported without regard to differences of political affiliation. With your approval and assistance, I intend to continue that policy.

In furtherance of this policy the United States has actively supported in the United Nations the formation of an International Refugee Organization. As you know, Senator Austin, acting under authority of full powers issued by the President, has signed the constitution of the IRO, subject to final approval by Congress. The purpose of this Organization is to enable displaced persons to subsist while it actively effects their repatriation or resettlement. This will relieve the Army of its part of the present divided and difficult responsibility and should mean immediate economy of effort and funds and a speedier solution of the whole problem.

I have asked the Secretary of War, the Under Secretary of State and the Assistant Secretary of

State for Occupied Areas to describe in more detail the nature of the present problem and the projected scope of activities of the new International Refugee Organization. In advance of their testimony, I would earnestly stress that, with whatever minor imperfections there may be as the inevitable product of reconciling many conflicting viewpoints, I believe that the IRO will advance this problem to its permanent solution. I therefore urge as an important element of our foreign policy that the Congress support the efforts we have made thus far by authorizing the United States to participate in this Organization. I am confident that the Congress will approach this situation with the same deep sense of responsibility that it acted upon General Eisenhower's urgent message almost two years ago.

Faithfully yours,

GEORGE C. MARSHALL

Secretary of State

STATEMENT BY UNDER SECRETARY ACHESON ¹

Mr. Chairman, I appreciate the opportunity which your Committee has given to the representatives of the Department of State to appear before you for the purpose of supporting Senate Joint Resolution 77, to provide for the United States membership in the International Refugee Organization.

The provisions of this bill can be simply stated. First, it authorizes the President to accept membership in the International Refugee Organization. Second, it provides that the President shall designate United States representatives and alternates to attend sessions of the International Refugee Organization. Third, it authorizes an appropriation of the sums necessary for the United States to participate in the organization. Essentially what this bill asks, therefore, is congressional authorization which will make definitive the action already taken by Senator Austin in signing provisionally the constitution of the International Refugee Organization.

What is it that this constitution provides? It establishes an organization to deal on an integrated basis with the whole problem of refugees and displaced persons. For the purposes of this organization, a displaced person is someone who had to leave his own country as a result of the actions of the Nazi or Fascist authorities. A refugee is,

generally speaking, anyone outside of his own country who was either a victim of Nazi persecution or who now is unwilling to return to his own country as a result of events which took place subsequent to the outbreak of the war. In general, the organization concerns itself with such people only when certain conditions are fulfilled, i. e., that such persons desire to be repatriated and need help in order to be repatriated or for good reasons refuse to return voluntarily to their own countries. These are primarily the people whom the occupying armies found on their hands when they entered Germany, Austria, and Italy. They were people who had been taken against their will to Germany during the war, largely for the purpose of slave labor, or were people who, through fear of persecution or through lack of sympathy with the regimes which have been established in their own countries, fled to Germany, Austria, or Italy for protection. The organization will also be concerned with similar problems in the Far East, particularly with overseas Chinese displaced by operations of the Japanese armies.

¹ Opening statement made before the Senate Committee on Foreign Relations at hearings of that committee on the IRO on Mar. 1, 1947, and released to the press on the same date.

Toward all these people the organization is intended to carry out certain functions. In the first place, obviously they must be cared for until some permanent disposition can be made of their case. In the second place, then, it is desirable that as many of these people as possible should be repatriated to their own countries since, always provided they are willing to go back, this solution represents the most economical and permanently satisfying way of handling the matter. Finally, those who have valid objections to returning to their own countries must be resettled in another place. Only to a limited extent could they be absorbed into the German economy. For example, in our zone in Germany, as a result of the expulsion of Germans from other countries and areas, there are three million more people than before the war while opportunities for work have been narrowed by the destruction of industrial plants. Nor should these victims of the Germans be forced against their will to become a part of them. It is of the highest importance that they should be brought as speedily as practical to useful living in a community where they are needed and wanted.

There are certain additional limitations upon the classes of people which this organization will serve. A person, for example, who has unreasonably refused to accept the proposals of the organization for resettlement will cease to be its concern. Also, the organization will not assist a person who is making no substantial effort toward earning his own living if it is possible for him to do so. Lastly, the organization will naturally not concern itself with war criminals, quislings, or traitors, or any other persons who can be shown to have assisted the enemy forces voluntarily in their operations against the United Nations.

Membership in the International Refugee Organization is open to any member of the United Nations and under certain restrictions to certain non-members. The General Council is the policy-making body of the organization, in which each member is represented and in which each member has one vote. The Executive Committee is elected by the General Council and is composed of nine countries elected for a two-year term. The chief administrative officer of the International Refugee Organization is the Director General, who will be appointed by the General Council upon the nomination of the Executive Committee and will himself appoint the administrative staff of the

organization. The personnel of the organization is calculated in the budget as running somewhere between 2,000 and 3,000 persons, which will represent the number of persons required to carry on the field work and camp administrative functions that are now being performed by UNRRA and the occupying armies.

The financing of the International Refugee Organization will be based upon article 10 of the constitution. In the first place, there will be an annual administrative budget which the General Assembly has set at a figure of \$4,800,000 for the first financial year of the organization. Second, the main work of the organization is derived from the funds expended under the operational budget. It was set by the General Assembly at about \$151,000,000 for the first financial year of the organization. The largest part of this is obviously that devoted to care and maintenance, which is approximately \$100,000,000, or two thirds of the budget. However, it is clear that the more quickly we can get the displaced persons repatriated or resettled in other countries, the more quickly we shall be able to reduce the care and maintenance items in the budget by removing these people from assembly centers and camps. It was therefore important to make adequate provision for the expenses of repatriation and resettlement.

The two parts of the budget just mentioned constitute the obligatory portion of the financing of the International Refugee Organization. In addition to these two parts, there is also set up a sum of \$5,000,000 for what is described as a fund for large-scale resettlement, to which contributions are not obligatory upon the members.

The apportionment of the budget among the members was naturally something to which a great deal of thought was given. It had been agreed from the start that the administrative budget should be apportioned on the same scale as the apportionment of the budget of the United Nations. According to this, therefore, the United States emerges with an obligation to pay 39.89 percent of the administrative budget of the International Refugee Organization. The operational budget, it was felt, should reflect a little more closely the interest of the different countries in the problem. Certain adjustments were also made in favor of countries which had suffered severe economic and financial damage as a result of the war. The United States share in the operational

budget on a full membership basis is 45.75 percent. The United States has substantially 60 percent of the displaced persons actually on its hands and has been actually making a higher percentage of external contributions to the cost of their care.

It has of course always been recognized that, so far as the United States is concerned, the Congress is the appropriating authority and that any obligation undertaken by the United States to contribute would have to be made annually subject to the appropriating authority of Congress. As to the large-scale resettlement expenditures for which no allocation of percentage is made by the constitution, the Department of State suggests that the share of the United States in this non-obligatory budget could equitably be fixed at the same percentage as the United States share of the regular operational budget, 45.75 percent.

The International Refugee Organization is to be a temporary organization. Its work should be brought to a close within a few years. There is a large job to be done but the very nature of the problem and the burden of delay both on the United States taxpayer and on the displaced persons themselves make it imperative that it be rapidly accomplished. Any member may at any time give written notice of its intention to withdraw. The withdrawal then becomes effective one year after the notice has been given.

The International Refugee Organization is a service organization. It is not an organization with governmental powers. Nothing in the constitution of this organization would enable it to alter the statutes of any of its members, whether in respect of immigration or any other matter. Furthermore, as I have stated above, the organization can obtain from the United States only such funds as the Congress may appropriate to the organization.

The constitution which has been described is the result of many months of earnest deliberation in the United Nations. Within a few months after the termination of hostilities in August 1945 it became evident that the task to be faced was one which required the unification of functions with regard to the care, repatriation, and resettlement of displaced persons that were being carried on at that time by the American, British, and French military governments as well as by UNRRA and the Intergovernmental Committee on Refugees. The question of refugees and displaced persons

was accordingly placed on the agenda of the General Assembly which met in London in January 1946. The question was recognized by the delegates gathered at London as one of the substantive problems of great urgency which the United Nations had to face.

The Assembly itself, faced with the immediate pressure of organizing the United Nations, could not make any systematic examination of the matter. It therefore referred the matter to the Economic and Social Council, which, after a long series of deliberations and sub-referrals to committees, reported back to the Assembly in October a proposal for an International Refugee Organization. After a considerable debate, the Assembly, on December 15, 1946, adopted the constitution of the proposed organization, approved a budget for the first financial year, and approved also an agreement for a Preparatory Commission to undertake necessary planning functions during the interim period before the coming into force of the constitution. At every point throughout the debate, the urgency and importance of the question was evident. And to this question, I may add, more hours have been devoted in the United Nations than to any other single question exclusive of those concerning security.

The constitution was opened for signature on December 15, 1946. The constitution requires two conditions to bring it into force: (1) at least 15 states must become parties to it; (2) the allocated contributions of the participating states must constitute 75 percent of the total operational budget.

At the present time, 11 states are already signatories to the constitution. They are: Canada, the United States, France, the Dominican Republic, Honduras, Guatemala, the Philippines, Liberia, the Netherlands, Norway, and the United Kingdom. The allocated contributions of these states amount to 69.80 percent of the budget. Of these states, only the United Kingdom has as yet signed definitively without reservations similar to that of the United States.

Signature was made on behalf of the United States by Senator Austin "subject to approval". In this context, "approval" is understood to mean approval by the Congress. The joint resolution now before you will, if enacted, authorize the President to accept definitively for the United States membership in the organization. Favorable action by the United States will of course

affect governments which are now looking to us to take the lead.

Since the action by the General Assembly, the Preparatory Commission of the IRO has met in Geneva, Switzerland, where preliminary plans have been made for the program of the IRO as and when it is legally established. The Commission elected as its Executive Secretary Mr. Arthur J. Altmeyer, who is the Commissioner of the United States Social Security Administration. Mr. Altmeyer will thus have the administrative responsibility, as an international civil servant, for the next several months, of initiating the plans for the effectuation of the IRO.

The origin of the problem of the displaced persons is, I am sure, familiar to most of you. The great majority of these people were driven from their homes by the circumstances of the war. These were nationals of one or another of the United Nations or were persons who had been persecuted by the enemy. In very large part, they were people who had been carried into Germany as slave labor. When the war ended, they were without the means of repatriating themselves or of providing adequately for their own maintenance. In Germany, Austria, and Italy, the occupying western armies found some eight millions of homeless people sturdy enough to have survived, who became the joint concern of the occupying armies and of UNRRA.

There was then undertaken by the armies and UNRRA an extraordinarily effective job of identification, care and repatriation. Seven million people were returned to their homes within a year. This was a rapid job planned and instituted as a joint activity by SHAEF. It was also humanely accomplished. It was from all points of view the most satisfactory method of dealing with the problem. But it fell short of becoming a complete solution. There remained more than a million displaced persons on the hands of the United States, Great Britain, and France in Germany, Austria, and Italy. The process of repatriation, though still continuing, has slowed up.

It is evident that there are, among the displaced persons, hundreds of thousands who will not voluntarily return to their places of origin. This is due to the changes wrought by the war in pre-war governmental boundaries and governmental systems within the areas from which they have come; to the aftermath of the memories of Nazi perse-

cution in those areas during the war, the destruction of their kindred and their former homes and former opportunities for livelihood; to differences in political views and fears of persecution or reprisal because of those differences. We are unwilling, if we were able, forcibly to send these uprooted people back to countries with new borders and new political systems. That has been the cardinal principle in handling these displaced persons in the past. It was approved by the General Assembly of the United Nations. It is firmly embodied in the constitution of the International Refugee Organization.

It has also been a firm principle in the administration of the displaced persons program, and it will continue to be under the International Refugee Organization, that these victims of German aggression will not against their will be forced to stay in Germany and become Germans. As a matter of fact, there is no place for them in the contracted German economy and in our already overcrowded zone.

It has always been the view of the military authorities that the problem of displaced persons was from its very nature one not for troops but for international civilian agencies. They have increasingly used such agencies. Our Army is not now staffed to carry on the task of administration of these hundreds of communities and the negotiation and execution of international arrangements for repatriation and resettlement. The International Refugee Organization provides a unified service for all the present varied services with the present diffused overheads and responsibilities.

The problem, then, is that of the remaining displaced persons, about one million people, of whom some 600,000 are in the United States zone.

Of these people, almost all come from the countries of eastern Europe. Perhaps a third are registered as Poles, a fifth as Balts, a fourth as Jews, and smaller fractions as Yugoslavs and citizens of the Soviet Union, stateless, and of miscellaneous origin. We are thus dealing with a group of people originating in an area of Europe where political change has been great and where political tension is high. As an occupying power, we have these people on our hands; we are compelled to do something about them in a constructive and statesmanlike manner.

The program which is envisaged for these people is in summary as follows: First, the persons

who can be repatriated must be temporarily cared for until their return home can be accomplished. They must receive initial supplies of food to start them on their way. Second, those who are unwilling to return need temporary care until they can be resettled. Third, the task of resettlement requires protracted negotiation with the potential countries of reception and then the making of arrangements for sorting out, training, medical examination, and transportation. Finally, such displaced persons as are unwilling to work to contribute to their own support or who are otherwise exploiting the assistance they are receiving, or have been collaborators with our enemies, or are unwilling to accept opportunities for resettlement, will no longer receive support. This recital of the tasks before the IRO will indicate, I think, the difficult program facing the organization. This Government has never believed that the job would be easy; but it has always been determined to see it through.

The International Refugee Organization has a substantial contribution to make to the cause of post-war reconstruction and international cooperation. Our participation in it would be a further earnest of our determined effort to make the United Nations work.

National Conference on UNESCO

[Released to the press February 26]

A national conference on UNESCO will be held at Philadelphia, March 24-26, and will be attended by representatives of approximately a thousand organizations. The purpose of the conference, which is being arranged by the United States National Commission for UNESCO, is to work out plans by which the American people can take part in UNESCO's program for promoting peace through educational, scientific, and cultural cooperation.

The program of the conference will include reports by members of the American Delegation who attended the first meeting of the international organization held in Paris last December. Delegates expected to be present at the meeting include: William Benton, Assistant Secretary of State for public affairs; Arthur H. Compton, chancellor, Washington University; Anne O'Hare McCormick, member, editorial board, *New York Times*; George D. Stoddard, president, Univer-

sity of Illinois; Chester Bowles, former Administrator, Office of Price Administration; Milton S. Eisenhower, president, Kansas State College; Charles S. Johnson, president, Fisk University; and George N. Shuster, president, Hunter College. UNESCO's plans for helping war-devastated countries rebuild their devastated educational systems will be discussed by Bernard Drzewieski, director of the reconstruction and rehabilitation section of the organization.

Section meetings will study UNESCO's program for promoting international understanding through schools, radio, press, films, and international cooperation by scholars and scientists. Attention will also be centered on ways in which local communities can take part in furthering the aims of the organization.

This meeting will be the first national conference called in accordance with instructions given by Congress when it approved the formation of the National Commission to advise on UNESCO matters and to serve as a liaison body with national organizations. The National Commission is limited to 100 persons, 60 of whom are nominated by national organizations. In order that the National Commission might consult and keep in close touch with the numerous organizations which are concerned with UNESCO, Congress authorized the Commission to convene periodically a large national conference to which interested organizations should be invited to send representatives.

Arrangements for the conference are under the direction of Milton S. Eisenhower, chairman of the United States National Commission for UNESCO.

U.S. Completes Payment to International Monetary Fund

[Released to the press by the Treasury Department February 26]

Secretary of the Treasury Snyder announced on February 26 that the United States has completed payment of its subscription to the International Monetary Fund. Under the Bretton Woods agreements the quota of the United States in the International Monetary Fund is \$2,750,000,000, and payment of this amount to the Fund was authorized in the Bretton Woods Agreements Act approved July 31, 1945. That act amended the Gold Reserve Act of 1934, approved January 30, 1934,

so as to provide that \$1,800,000,000 of the Exchange Stabilization Fund originally established under the Gold Reserve Act of 1934 should be used to pay part of the quota of the United States in the International Monetary Fund, and that the balance of the quota of \$950,000,000 should be paid from the general funds of the Treasury.

The payment made today amounted to \$2,744,725,000, representing the balance of the United States quota. The payment was comprised of \$687,500,000.11 in gold, equal to 25 percent of the quota of the United States as required by article III, section 3 (b) (i), of the articles of agreement;

\$275,224,999.89 in currency credited to the Fund's depositary account with the Federal Reserve Bank of New York and \$1,782,000,000 aggregate face amount of non-negotiable, non-interest-bearing demand notes of the United States.

An initial payment of \$275,000, representing one one-hundredth of one percent of the United States quota, was paid for credit of the International Monetary Fund on December 27, 1945, at the time the articles of agreement of the Fund were signed on behalf of the United States. A further partial payment in the amount of \$5,000,000 was made on November 21, 1946.

Francis Sayre Appointed U.S. Representative on Trusteeship Council

[Released to the press February 28]

Francis B. Sayre was sworn in on February 28 as United States Representative on the Trusteeship Council of the United Nations. Associate Justice Harold Burton administered the oath in the presence of Secretary of State Marshall and a number of other distinguished guests.

Mr. Sayre, formerly Assistant Secretary of State, was more recently United States High Commissioner to the Philippine Islands. Since 1944 he served as Diplomatic Adviser to the United Nations Relief and Rehabilitation Administration. He thus brings to his new assignment a wide background of experience to qualify him for this responsible post.

The Trusteeship Council, which is one of the principal organs of the United Nations, will hold its first session at the headquarters of the United Nations beginning March 26, 1947. In addition to the United States, the Council consists of the United Kingdom, the Soviet Union, France, China, Australia, Belgium, New Zealand, Iraq, and Mexico. Each of the ten members of the Trusteeship Council designates one specially qualified person to represent it thereon.

The Council will supervise the manner in which the various trust powers carry out their obligations under the Charter to promote the political, economic, social, and educational advancement of the inhabitants of the territories. At its first meeting

it will formulate a plan whereby the trust powers for each of the eight territories now placed under trusteeship will supply the necessary information on these questions through an annual report to be submitted to the Council. It will also examine a number of petitions which have been received, and will provide for periodic visits which are to be made to the respective trust territories in order to observe how the terms of the Charter and of the trust agreements are being carried out.

The main purpose of the Trusteeship Council is to see that the highest and most progressive standards of administration are carried out in the various territories coming under its supervision. It is believed and hoped that by this means the standards of colonial administration throughout the world will be improved and that the inhabitants of the territories which are not yet self-governing will everywhere benefit from the influence which the Trusteeship Council will exert on the colonial problem as a whole.

Confirmation of U.S. Representative to Trusteeship Council

On February 21, 1947 the Senate confirmed the nomination of Francis Bowes Sayre to be the representative of the United States of America on the Trusteeship Council of the United Nations.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Calendar of Meetings¹

In Session as of March 2, 1947		1946
Far Eastern Commission	Washington	Feb. 26
United Nations:		
Security Council	Lake Success	Mar. 25
Military Staff Committee	Lake Success	Mar. 25
Commission on Atomic Energy	Lake Success	June 14
Telecommunications Advisory Committee	Lake Success	Nov. 10
Economic and Social Council (ECOSOC):		1947
Drafting Committee of International Trade Organization, Preparatory Committee.	Lake Success	Jan. 20–Feb. 25
Subcommission on Economic Reconstruction of Devastated Areas: Working Group for Asia and the Far East.	Lake Success	Feb. 14
Standing Committee on Negotiations With Specialized Agencies .	Lake Success	Feb. 25
Fourth Session	Lake Success	Feb. 28
German External Property Negotiations (Safehaven):		1946
With Portugal	Lisbon	Sept. 3
With Spain	Madrid	Nov. 12
Inter-Allied Trade Board for Japan	Washington	Oct. 24
PICAO:		1947
Interim Council	Montreal	Jan. 7
Air Transport Committee: Sixth Session	Montreal	Jan. 13
Airworthiness Division	Montreal	Feb. 20
Airline Operating Practices Division	Montreal	Feb. 25
Inter-Allied Reparation Agency (IARA): Meetings on Conflicting Custodial Claims.	Brussels	Jan. 29
International Court of Justice	The Hague	Feb. 10
Scheduled for March – May 1947		
FAO:		
Executive Committee	Rome	Mar. 3
International Timber Conference	Marianske-Lazne, Czechoslovakia.	Apr. 28
ILO:		
Preparatory Meeting of Statistical Experts	Montreal	Mar. 4
101st Session of the Governing Body	Geneva	Mar. 5–8
Committee on Social Policy in Dependent Territories	London	Mar. 17–22
Committee of Experts on the Application of Conventions	Geneva	Mar. 24–29
Industrial Committee on Coal Mining	Geneva	Apr. 23
Industrial Committee on Inland Transport	Geneva	May 6
Emergency Economic Committee for Europe (EECE): Timber Subcommittee.	Copenhagen	Mar. 6–8
Council of Foreign Ministers	Moscow	Mar. 10
International Wheat Conference	London	Mar. 18

¹ Prepared in the Division of International Conferences, Department of State.

Calendar of Meetings—Continued

United Nations:		
Trusteeship Council	Lake Success	Mar. 26
Meeting of Experts on Passport and Frontier Formalities	Geneva	Apr. 14
Committee on Progressive Development and Codification of International Law.	Lake Success	May 1-28 (tentative)
World Health Organization (WHO): Third Session of Interim Commission.	Geneva	Mar. 31
Interparliamentary Union: 36th Plenary Session	Cairo	Apr. 7
International Conference on Trade and Employment: Second Meeting of Preparatory Committee.	Geneva	Apr. 8
UNESCO Executive Board	Paris	Apr. 10-12
International Red Cross Committee	Geneva	Apr. 14-26
PICAO European—Mediterranean Special Air Traffic Control Conference.	Paris	Apr. 15
Fifth International Hydrographic Conference	Monaco	Apr. 22
International Meeting of Marine Radio Aids to Navigation	New York and New London . .	Apr. 28
European Central Inland Transport Organization (ECITO): Seventh Session of the Council.	Paris	April (tentative)
International Civil Aviation Organization (ICAO): First Meeting of General Assembly.	Montreal	May 6
Congress of the Universal Postal Union	Paris	May 6
International Radio Conference.	Atlantic City	May 15
International Technical Committee of Aerial Legal Experts (CITEJA).	Montreal	May
International Emergency Food Council (IEFC): Fourth Meeting .	Washington	May (tentative)

Activities and Developments »

U. S. DELEGATION TO COUNCIL OF FOREIGN MINISTERS

[Released to the press February 25]

*List of the United States Delegation to the
Fourth Session of the Council of Foreign
Ministers, Moscow, March 10, 1947*

United States Member

George C. Marshall, Secretary of State

Deputy United States Members

For Germany

Robert D. Murphy, U.S. Political Adviser, Berlin

For Austria

Gen. Mark W. Clark, U.S. High Commissioner to
Austria, Vienna

Special Adviser

John Foster Dulles

Counselor

Benjamin V. Cohen, Counselor, Department of State

Political Advisers

H. Freeman Matthews, Director, Office of European Affairs, Department of State

John G. Erhardt, U. S. Minister to Austria, Vienna

James Riddleberger, Chief, Division of Central European Affairs, Department of State

Charles E. Bohlen, Assistant to the Secretary of State, Department of State

Harold C. Vedeler, Division of Central European Affairs, Department of State

Economic Advisers

Edward Mason, Consultant, Office of the Under Secretary for Economic Affairs, Department of State

Jacques J. Reinstein, Special Assistant to the Assistant Secretary for Economic Affairs, Department of State

Charles Kindleberger, Chief, Division of German-Austrian Economic Affairs, Department of State

Arthur W. Marget, Chief of Finance Division, United States Element, Allied Council, Austria

Charles Rogers, Division of German-Austrian Economic Affairs, Department of State

George Jacobs, Division of German-Austrian Economic Affairs, Department of State

John Tuthill, Secretary, United States Embassy, Berlin

Advisers on Military Government

William H. Draper, Maj. Gen., U.S.A., Office of Military Government (U.S.) for Germany, Berlin

Donald D. Humphrey, Office of Military Government (U.S.) for Germany, Berlin

Dr. Edward H. Litchfield, Office of Military Government (U.S.) for Germany, Berlin

Henry Parkman, Office of Military Government (U.S.) for Germany, Berlin

Military Advisers

Charles H. Bonesteel, Col., A.U.S., Politico-Military Survey Section, Plans and Operations Division, War Department General Staff

Philip H. Greasley, Col., A.U.S., Plans and Policy Group, Plans and Operations Division, War Department General Staff

Francis H. Oxx, Col., U.S.A., Office of U.S. High Commissioner for Austria, Vienna

Naval Advisers

Roscoe E. Schuirmann, Rear Adm., U.S.N., Commander of Naval Forces, Germany

S. B. Frankel, Capt., U.S.N., assigned for duty with Commander of Naval Forces, Europe

Adviser on Press Relations

Michael J. McDermott, Special Assistant to Secretary of State, Department of State

Assistant Adviser on Press Relations

David Penn, Office of International Information and Cultural Affairs, Department of State

Legal Adviser

Fritz Oppenheimer, Assistant Legal Adviser, Department of State

Leonard Meeker, Assistant Legal Adviser, Department of State

Assistant to Secretary

Marshall S. Carter

Assistants and Aides

Assistants to the Deputy Member for Austria

Bernard Rogers, Captain., A. U. S., Aide to U. S. High Commissioner for Austria

M. G. Natirbov, Interpreter to U.S. High Commissioner for Austria

Aide to Naval Adviser

Leslie L. Youngblood, Lt., U.S.N., Aide to Commander of Naval Forces, Germany

Assistant to Adviser on Press Relations

Margaret Halden, Office of Special Assistant to Secretary of State, Department of State

Secretary General

Hugh D. Farley, Assistant Chief, Division of International Conferences, Department of State

JAPANESE REPARATIONS GOODS¹

1. In delivering reparations goods in Japan to claimant countries, the Japanese Government should bear all costs connected with dismantling, packing, transporting to a port in Japan for waterborne craft or for airborne craft, handling, and loading on board the craft at that port. The port should be designated by the Supreme Commander for the Allied Powers after consultation with the claimant country. None of the above-mentioned costs should be paid by the recipient country; however, all those costs involved in the delivery of reparations goods should in the future be appropriately charged toward the reparations accounts of the recipient countries in the same proportions as their respective national shares of reparations from Japan. The charging of these costs to the reparations accounts of recipient countries should

¹ Policy decision approved by the Far Eastern Commission on Feb. 13, 1947 and released to the press Feb. 24. A directive based upon this decision has been forwarded to the Supreme Commander for the Allied Powers for implementation.

not affect the distribution of reparations received by claimant countries.

2. When particular reparations goods have been designated for delivery to a particular country, the Supreme Commander for the Allied Powers will afford claimant countries the opportunity to be consulted prior to and represented at the dismantling and packing of such goods and to make such constructional plans and drawings as may be necessary for the purpose of re-erection, provided the making of such plans and drawings shall not be permitted to delay unduly the process of dismantling and removal. Before proceeding with the removal of designated goods from their location, the Supreme Commander will require the recipient country to provide him with a written undertaking to accept such goods, provided they are delivered on board at the designated port free from any major damage sustained in the processes of dismantling, packing, transporting, handling, and loading. The Japanese Government will be required to make good any damage or shortage resulting from the processes of dismantling, packing, transporting, handling, and loading if such damage or shortage occurred prior to delivery on board the carrying craft.

3. The goods in question should become the property of the recipient country when they have been delivered on board at the designated port, and thereafter they become the entire responsibility of such recipient country. Receipt for the goods shall be given by the recipient country when they have been delivered on board the carrying craft at the designated port.

4. Each recipient country will be responsible for arranging for the waterborne or airborne craft necessary to transport its reparations goods from the designated port in Japan.

JAPANESE RESEARCH AND ACTIVITY IN THE FIELD OF ATOMIC ENERGY¹

1. Japanese research or other activity in the field of atomic energy should be governed by the following:

- (a) Such decisions by the United Nations on international control of atomic energy as are applicable;
- (b) Additional restrictive policies established for the disarmament and control of Japan.

2. In view of continuing discussion of the foregoing, the Far Eastern Commission considers that the Japanese should not be permitted at present to conduct research in the field of atomic energy, or to develop or use atomic energy. The Commission accordingly establishes the following policy:

(a) All research in Japan, of either a fundamental or an applied nature, in the field of atomic energy should be prohibited, including:

- (1) All research or development which has for its purpose the production of fissionable atomic species;
- (2) All research or development which has for its purpose the separation or concentration of fissionable species of atomic isotopes from the naturally occurring isotope mixture of a chemical element.

(b) All development or construction in Japan which has for its purpose the utilization of atomic nuclear energy should be prohibited.

(c) The mining, processing, and refining of radioactive materials in Japan for authorized purposes, such as radium for medical uses, should be permitted only in those instances specifically approved by the Supreme Commander for the Allied Powers and under his surveillance.

ACCORD ON TREATMENT OF GERMAN-OWNED PATENTS

[Released to the press February 27]

The Department of State announced on February 27 that the accord on the treatment of German-owned patents which was reached at a 12-nation conference at London in July 1946 has come into force.² A total of 28 governments signed or accepted the accord before January 1, 1947.

Under the terms of the accord, it was to come into force upon signature or acceptance by January 1, 1947 of France, the United Kingdom, the United States, and four other countries. In addition to France, the United Kingdom, and the United States, the other countries which signed or

¹ Policy decision approved by the Far Eastern Commission on Jan. 30, 1947 and released to the press Feb. 10. The text has been forwarded to the Supreme Commander for the Allied Powers for implementation.

² For text and a brief description of the accord, see BULLETIN of Aug. 18, 1946, p. 300.

accepted were: Belgium, Canada, Czechoslovakia, Denmark, Luxembourg, Netherlands, Norway, the Union of South Africa, New Zealand (including Western Samoa), India, Bolivia, Chile, Dominican Republic, Ecuador (*ad referendum*), Guatemala (*ad referendum*), Iran, Iraq, Lebanon, Nicaragua (*ad referendum*), Paraguay (*ad referendum*), Poland, Syria (*ad referendum*), Turkey, Venezuela (*ad referendum*), and Yugoslavia. The accord also applies to Newfoundland and Southern Rhodesia and to the following territories: British Guiana, British Honduras, Gold Coast, Kenya, Nyasaland, Sarawak, Singapore, Trinidad and Tobago, Uganda, and the Windward Islands.

The general effect of the accord will be to make available to the nationals of all participating governments full rights to use, without the payment of any royalties, all former wholly German-owned patents issued by those governments, subject to the protection of existing rights lawfully acquired

by non-Germans. The number of patents which will be affected by the accord is known to be well above 100,000. Licensing of these patents under the provisions of the accord will remove a possible impediment to international trade which would have arisen had the interested governments licensed these patents on an exclusive basis. The accord is also consistent with policies already put into effect by the Office of Alien Property Custodian.

The accord also provides for the interchange of such information acquired in the enemy territories as is required effectively to work the patents through a central office which France will establish, to provide facilities for receiving and disseminating reports and information pertaining to the German technological situation from governments which are participants to the accord, and for notifying those governments of matters of common interest under the accord.

U. S. in Allied Administration of Austria—Continued from page 415

High Commissioners and the location of occupation troops.

With regard to Vienna, article 13 of the agreement provides that the Municipal Administration shall progressively assume the functions of the Inter-Allied Command, which has acted as the instrument of the Allied Commission for affairs concerning Vienna as a whole. In the meantime, the Vienna Inter-Allied Command is to have the same relation to the Municipal Administration of Vienna as the Allied Commission has to the Austrian Government.

Austrian Hopes for the Future

Austrian hopes for a peaceful existence within the framework of the community of nations were expressed by Dr. Karl Gruber, Foreign Minister of the Austrian Federal Republic, in an address on August 21, 1946 at the Paris Peace Conference, as follows (translation) :

"Since the establishment of Austria in 1918, there has never been a time when collaboration between the big political parties has been as close as it is now, and in which democracy in Austria has rested upon a surer foundation. Errors and mistakes have been committed, and we are aware of this fact. Our Government is determined to prevent them in the future.

"This small country wishes no more than to continue its peaceful and modest life, and to furnish proof to the world that the cultural traditions of a people, coupled with good will and a conciliatory spirit, might gain the esteem of the world just as much as military power and outward strength.

"Austria never intended to resort to force to settle her difficulties and will always remain true to her peaceful tradition. She is therefore fully convinced that a just cause may achieve its object by an appeal to the world conscience."

Administration of the Reciprocal Trade-Agreements Program

EXECUTIVE ORDER 9832¹

By virtue of the authority vested in me by the Constitution and statutes, including section 332 of the Tariff Act of 1930 (46 Stat. 698) and the Trade Agreements Act approved June 12, 1934, as amended (48 Stat. 943; 59 Stat. 410), in the interest of the foreign affairs functions of the United States and in order that the interests of the various branches of American production shall be effectively safeguarded in the administration of the trade-agreements program, it is hereby ordered as follows:

Part I

1. There shall be included in every trade agreement hereafter entered into under the authority of said act of June 12, 1934, as amended, a clause providing in effect that if, as a result of unforeseen developments and of the concession granted by the United States on any article in the trade agreement, such article is being imported in such increased quantities and under such conditions as to cause, or threaten, serious injury to domestic producers of like or similar articles, the United States shall be free to withdraw the concession, in whole or in part, or to modify it, to the extent and for such time as may be necessary to prevent such injury.

2. The United States Tariff Commission, upon the request of the President, upon its own motion, or upon application of any interested party when

in the judgment of the Tariff Commission there is good and sufficient reason therefor, shall make an investigation to determine whether, as a result of unforeseen developments and of the concession granted on any article by the United States in a trade agreement containing such a clause, such article is being imported in such increased quantities and under such conditions as to cause or threaten serious injury to domestic producers of like or similar articles. Should the Tariff Commission find, as a result of its investigation, that such injury is being caused or threatened, the Tariff Commission shall recommend to the President, for his consideration in the light of the public interest, the withdrawal of the concession, in whole or in part, or the modification of the concession, to the extent and for such time as the Tariff Commission finds would be necessary to prevent such injury.

3. In the course of any investigation under the preceding paragraph, the Tariff Commission shall hold public hearings, giving reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings. The procedure and rules and regulations for such investigations and hearings shall from time to time be prescribed by the Tariff Commission.

4. The Tariff Commission shall at all times keep informed concerning the operation and effect of provisions relating to duties or other import re-

¹ 12 *Federal Register* 1363.

strictions of the United States contained in trade agreements heretofore or hereafter entered into by the President under the authority of said act of June 12, 1934, as amended. The Tariff Commission, at least once a year, shall submit to the President and to the Congress a factual report on the operation of the trade-agreements program.

Part II

5. An Interdepartmental Committee on Trade Agreements (hereinafter referred to as the Interdepartmental Committee) shall act as the agency through which the President shall, in accordance with section 4 of said act of June 12, 1934, as amended, seek information and advice before concluding a trade agreement. In order that the interests of American industry, labor, and farmers, and American military, financial, and foreign policy, shall be appropriately represented, the Interdepartmental Committee shall consist of a Commissioner of the Tariff Commission and of persons designated from their respective agencies by the Secretary of State, the Secretary of the Treasury, the Secretary of War, the Secretary of the Navy, the Secretary of Agriculture, the Secretary of Commerce, and the Secretary of Labor. The chairman of the Interdepartmental Committee shall be the representative from the Department of State. The Interdepartmental Committee may designate such subcommittees as it may deem necessary.

6. With respect to each dutiable import item which is considered by the Interdepartmental Committee for inclusion in a trade agreement, the Tariff Commission shall make an analysis of the facts relative to the production, trade, and consumption of the article involved, to the probable effect of granting a concession thereon, and to the competitive factors involved. Such analysis shall be submitted in digest form to the Interdepartmental Committee. The digests, excepting confidential material, shall be published by the Tariff Commission.

7. With respect to each export item which is considered by the Interdepartmental Committee for inclusion in a trade agreement, the Department of Commerce shall make an analysis of the facts relative to the production, trade, and consumption of the article involved, to the probable effect of obtaining a concession thereon, and to the competitive factors involved. Such analysis shall be

submitted in digest form to the Interdepartmental Committee.

8. After analysis and consideration of the studies of the Tariff Commission and the Department of Commerce provided for in paragraphs 6 and 7 hereof, of the views of interested persons presented to the Committee for Reciprocity Information (established by Executive Order 6750, dated June 27, 1934, as amended by Executive Order 9647, dated October 25, 1945), and of any other information available to the Interdepartmental Committee, the Interdepartmental Committee shall make such recommendations to the President relative to the conclusion of trade agreements, and to the provisions to be included therein, as are considered appropriate to carry out the purposes set forth in said act of June 12, 1934, as amended. If any such recommendation to the President with respect to the inclusion of a concession in any trade agreement is not unanimous, the President shall be provided with a full report by the dissenting member or members of the Interdepartmental Committee giving the reasons for their dissent and specifying the point beyond which they consider any reduction or concession involved cannot be made without injury to the domestic economy.

Part III

9. There shall also be included in every trade agreement hereafter entered into under the authority of said act of June 12, 1934, as amended, a most-favored-nation provision securing for the exports of the United States the benefits of all tariff concessions and other tariff advantages hereafter accorded by the other party or parties to the agreement to any third country. This provision shall be subject to the minimum of necessary exceptions and shall be designed to obtain the greatest possible benefits for exports from the United States. The Interdepartmental Committee shall keep informed of discriminations by any country against the trade of the United States which cannot be removed by normal diplomatic representations and, if the public interest will be served thereby, shall recommend to the President the withholding from such country of the benefit of concessions granted under said act.

HARRY S. TRUMAN

THE WHITE HOUSE
February 25, 1947

STATEMENT BY THE PRESIDENT

[Released to the press by the White House February 25]

I wish to reaffirm the faith of this Administration in the Cordell Hull reciprocal trade-agreements program, which became effective in 1934 and which has been extended by Congress all these years. This program is based on the principle of negotiation between this and other countries for the reduction of trade restrictions and elimination of discriminations on a mutually advantageous basis; for each concession granted by the United States, a corresponding concession is received. This program has become an integral part of our foreign policy, and has widespread support from industry, labor, and farmers.

I am today issuing an Executive order which formalizes and makes mandatory certain existing trade-agreements procedures and which, in addition, makes some procedural changes. I wish to make clear that the provisions of the order do not deviate from the traditional Cordell Hull principles. They simply make assurance doubly sure that American interests will be properly safeguarded.

This order is the result of conversations between Under Secretaries of State Acheson and Clayton and Senators Vandenberg and Millikin, and has

been carefully considered by the interdepartmental trade-agreements organization. This organization is composed of representatives of the Departments of State, War, Navy, Treasury, Agriculture, and Commerce, and the Tariff Commission.

The United States is preparing to meet with 18 other nations in Geneva on the tenth of April to negotiate on policies affecting world trade. We plan to complete the draft of a charter establishing common principles of world-trade policy and setting up an international trade organization. We also shall negotiate the reduction of tariffs, the removal of other barriers to trade, and the elimination of discriminatory practices. I am very happy that Senators Vandenberg and Millikin agree that we should go forward with the Geneva negotiations.

All of us must now recognize that bipartisan support of our foreign economic policy, as well as our foreign policy in general, is essential. If we are to succeed in our efforts, through the United Nations, to organize the world for peace, we cannot refuse our cooperation where economic questions are involved. Here, as elsewhere in our foreign relations, we must abandon partisanship and unite in our support of a foreign policy that serves the interests of the nation as a whole.

STATEMENT BY UNDER SECRETARY CLAYTON

The Executive order issued on February 25 by the President with regard to the reciprocal trade-agreements program formally establishes the interdepartmental organization which has been set up to administer the Trade Agreements Act, and specifically outlines the procedure which this organization is to follow.

The order was prepared after the most careful consideration in this Department and in other agencies concerned with administration of the trade-agreements program, and after extensive conferences with leaders of both parties in Congress. It substantially meets the proposals on this

subject which were made on February 7 by Senator Vandenberg and Senator Millikin. Those proposals symbolized their desire for agreement on non-partisan support for the foreign economic policy of the United States, and should provide reassurance of whole-hearted participation of this country in the forthcoming negotiations at Geneva next spring for a trade agreement with 18 foreign countries which will carry forward the principles of reciprocity as developed under James G. Blaine and Cordell Hull.

[At this point the contents of the Executive order was summarized. See Department of State press release 146 of Feb. 25, 1947.]

Since the Hull trade-agreements program was inaugurated in 1934 changes and improvements have been made in the procedure and machinery for administering the Trade Agreements Act when it was found practical to do so. These changes demonstrate that the trade-agreements machinery is adaptable to the needs of the country. The businessmen and other interested persons who appeared at the recent hearings before the Committee for Reciprocity Information appeared to be convinced that they had been given full and fair opportunity to present their views and the reasons for those views in the hearings. The information presented at the hearings is now receiving the most careful analysis and consideration by the trade-agreements organization which is preparing the recommendations for the forthcoming negotiations at Geneva.

The agreement which it is proposed to negotiate at Geneva will be an essential step in the establishment of an International Trade Organization and the formulation of a code of fair principles for international commerce, under which nations can cooperate in expanding their trade multilaterally and on a non-discriminatory basis, thereby increasing employment, production and exchange of goods, and raising standards of living in all countries.

International accord with respect to trade policy is essential to the successful operation of the other international agencies which have already been established in the field of economic affairs. Cooperation among nations in economic affairs is, in turn, a prerequisite of international cooperation in political and security affairs.

Government and Business Groups Discuss U.S. Foreign Trade

[Released to the press February 26]

A group of leading businessmen, who are well known in the American foreign-trade community, met on February 26 in the Department of State with the Board of Foreign Service to exchange views on the activities of governmental officials in promoting and protecting the commercial interests of the United States abroad.

The joint meeting of the Board of Foreign Service and the Advisory Committee on Commercial Activities in the Foreign Service was under the chairmanship of John E. Peurifoy, recently appointed Deputy Assistant Secretary of State for administration. Norman P. Ness, Director of the Office of Financial and Development Policy, Department of State, discussed current developments in international economic affairs.

Selden Chapin, Director General of the Foreign Service, presented a summary of the problems now facing the Service and invited comments from the business group. George Bell, Associate Director of the Office of International Trade, Department of Commerce, called for suggestions as to how Government agencies could best meet the demands placed upon them by business and industry in the field of world trade, and how they can be correlated with the existing and planned facilities of the Foreign Service.

The members of the Advisory Committee, which is jointly sponsored by the Secretaries of State and Commerce, participated in their individual capacities, but are affiliated with the following organizations: the Chamber of Commerce of the United States, Committee for Economic Development, National Association of Manufacturers, United States Associates of the International Chamber of Commerce, National Council of American Importers, National Foreign Trade Council, and Bankers Association for Foreign Trade. The following are members of the Advisory Committee:

Wilbert Ward, Vice President, National City Bank of New York
 Francis L. Hopkinson, Vice President, Willys-Overland Motors, Inc.
 Morris S. Rosenthal, Executive Vice President, Stein, Hall & Company, Inc.
 J. D. Fletcher, Vice President, Caterpillar Tractor Co.
 Arvid L. Frank, Executive Director, United States Associates, International Chamber of Commerce
 Clarence E. Hunter, Vice President, New York Trust Co.
 Kenneth H. Campbell, Manager, Foreign Commerce Department, Chamber of Commerce of the United States of America
 A. M. Lederer, Morris & Van Wormer, New York
 Noel Sargent, Secretary, National Association of Manufacturers
 Harry S. Radcliffe, Executive Secretary, National Council of American Importers

William S. Swingle, Vice President, National Foreign Trade Council
Patrick McMahon, Special Executive Assistant, National Association of Manufacturers
H. F. Sheets, Chairman of the Board of Directors, Socony-Vacuum Oil Co., Inc.
C. B. Thomas, President, Export Division, Chrysler Corporation
Gerald Le Vino, Vice President, Guiterman Company, New York
W. S. Morrison, Vice President in Charge of Sales, United States Steel Export Company
D. A. Paterson, H. A. Astlett Company, New York
Curt G. Pfeiffer, New York

The Board of the Foreign Service, which advises the Secretary of State in the administration of the Foreign Service, is composed of:

John E. Peurifoy, Deputy Assistant Secretary of State
Spruille Braden, Assistant Secretary of State
William Benton, Assistant Secretary of State
Selden Chapin, Director General of the Foreign Service
David Morse, Assistant Secretary of Labor
Leslie A. Wheeler, Director, Office of Foreign Agricultural Relations, Department of Agriculture
George L. Bell, Associate Director, Office of International Trade, Department of Commerce

Post-UNRRA Relief: Purpose and Method

BY UNDER SECRETARY CLAYTON¹

1. General Purpose and Objective

The purpose of the resolution now under consideration by this committee is to provide relief to millions of persons in war-devastated countries who are still dependent upon outside assistance for food and other essentials of life.

Through UNRRA and the military programs several billions of dollars have been made available to the peoples of the liberated areas for food, clothing, medicine, and other essential supplies. Great progress had been made in these countries in their struggles to return to a normal life. The United States can be justly proud of the part it has played in helping these millions of unfortunate people to get back on their feet. Yet the task is not quite finished. The assistance still required is small relative to that already given, but without it many of these people will perish by starvation and millions will be seriously undernourished. We cannot hope to achieve permanent security and prosperity in a world where such conditions exist. Even with the minimum of assistance which has been planned, the peoples involved will still have barely enough to eat.

The UNRRA pipelines soon will run dry. The great bulk of UNRRA supplies will have been shipped to Europe by the end of March and shipments will practically cease during April.

¹ Statement made before the Committee on Foreign Affairs of the House of Representatives on Feb. 25, 1947, and released to the press by that committee on the same date.

The committee is, I am sure, aware of the position taken by the Department of State and the President regarding post-UNRRA relief. It has not seemed wise or proper to meet the remaining needs through an international agency. Instead it is believed that the problem which remains can best be handled directly between the individual contributing countries and the recipient countries. The Secretariat of the United Nations will be useful as a clearing point for the exchange of relevant information.

One of the major arguments advanced by the United States representatives in making clear this position regarding relief in 1947 was that the problem, although of utmost urgency and seriousness, was not of the magnitude of past years and could be handled more efficiently and expeditiously without the cumbersome mechanism of an international relief agency.

That argument is still valid. Some of the UNRRA countries no longer require free assistance; others, not as fortunate, need relatively small amounts of additional assistance to carry them through another year. Thereafter, it is expected that they will be able to stand on their own feet. In addition we feel that we can more effectively adapt our program to meet changing needs and can maintain better supervision over the use of our funds and supplies by dealing directly with the countries needing assistance.

2. Relief Needs in 1947

The State Department estimates that the mini-

imum relief requirements for the calendar year 1947 of needy countries amount to about \$610,000,000 exclusive of remaining UNRRA shipments. The following European countries appear to have need of outside assistance: Austria, Greece, Hungary, Italy, and Poland. It is anticipated also that China may have emergency needs for food imports to prevent suffering and starvation in certain areas and that some financial assistance may be required for this purpose.

Relief needs have been calculated as that part of a country's minimum import needs which cannot be financed out of its own resources, including current earnings of foreign exchange and existing and anticipated foreign loans and credits. The minimum import needs have been determined on the basis of the definition proposed by the United States representative and adopted by the General Assembly of the United Nations, namely: "imports required to provide the basic essentials of life and to prevent economic retrogression which threatens the supply of these basic essentials." In making our estimates we have included food imports which, together with the quantity locally produced, would give urban consumers a diet of an average of from 2,000 to 2,200 calories per day. This compares with 3,400 calories in the United States. Imports of raw materials, fuel, and industrial supplies, in amounts sufficient to maintain the production of essential goods and to prevent economic retrogression from approximately present levels, have also been included in the calculations. To the extent that food and other relief supplies are furnished by the United States and other contributors the foreign-exchange resources of the needy countries will be freed for the procurement of other imports included in the list of minimum needs.

The need for assistance in food imports is particularly acute, in most of the areas involved, during the spring and early summer months prior to the harvests, and suffering and a serious economic setback will occur if help is delayed. On the other hand, if sufficient assistance is provided promptly there is every reason for anticipating that, with the possible exception of Austria, these countries will not need further free relief after 1947. In the case of Austria some further help, although on a reduced scale, will probably be needed during the calendar year 1948.

3. Contributions To Meet Need

The President has recommended that the Congress appropriate \$350,000,000 as the United States contribution to help meet these needs. This sum represents, in our opinion, our fair share of the total requirement, bearing in mind our capacity in relation to that of other supplying countries. It is 57 percent of the estimated need, compared with our UNRRA proportion of 72 percent. The British Government has already announced a program for assistance to Austria amounting to \$40,000,000 and is currently considering what assistance can be rendered to other countries. Other governments are likewise studying the matter at this time. We are hopeful that through the efforts of all governments which are in a position to help, the minimum needs will be met.

I should like to emphasize at this point what we consider to be a fundamental principle—that is, that the total amount we would allocate to any country not be determined finally at this time. We should avoid a situation where any country might assume that it had a vested interest or right to a particular amount of money. We found in the case of UNRRA that, whenever an amount was allocated even on a tentative basis to a recipient country, any attempt to reduce it in order to take account of changing needs caused resentment and consequent embarrassment. In making estimates of relief requirements we must necessarily make assumptions regarding future crop and weather conditions, export possibilities, the probability of credits and loans from private or public banking institutions, and many other factors which are not susceptible of definite determination at this time. Emergencies may arise requiring an increase in present estimates for some countries, whereas in others recovery may occur at a more rapid rate than we now anticipate. Furthermore, the assistance which will be provided to each of the countries by other contributors must be considered in determining how our funds should be allocated. We are not now fully informed in regard to this matter and should be in a position to adjust our program in collaboration with other contributors to prevent duplication of effort.

4. Method of Operation

The resolution under consideration provides that the control of the program remain firmly in

American hands and that this control be exercised to the end that these supplies be shipped where they are needed and that they are used within the receiving countries in a manner consistent with the purposes of the resolution. We would also take steps to assure that the people of the countries receiving our help would be fully informed as to our interest in their welfare and the extent and nature of our contribution. It is our intention to limit the items which would be procured with our funds to a few basic essentials, primarily food, medical supplies, seeds, and fertilizers. We might also find it necessary in some cases to include such things as clothing or raw materials for the production of clothing, fuel, and similar basic supplies. We would not attempt to provide machinery and equipment for rehabilitation purposes. UNRRA has already imported those items of this nature which were needed for the resumption of basic economic activities after the dislocation and destruction caused by the war. Further reconstruction and development of the productive and transport facilities of these countries should be provided through loans from the International Bank and other sources.

If this program is approved by the Congress we plan to reach an agreement with each recipient government regarding all necessary aspects of the operation. Such an agreement would cover the methods of procuring, shipping, and accounting for supplies, the right of observation by our representatives in the country, and freedom to report (without censorship) by the press and radio. We would also require guaranties that not only our supplies but all similar supplies produced locally or imported from other sources will be used to meet the needs of the people without discrimination on political or racial grounds. The agreement would also prescribe conditions governing the use to be made of local funds arising from the sale of supplies to those people who can afford to pay for them.

After conclusion of such an agreement we would approve from time to time target programs covering the type and amount of commodities which could be procured over say a two- or three-month period. The recipient government would then be authorized to procure these goods either through commercial channels or the appropriate govern-

ment procurement agency, and to arrange for their shipment. Full reports, including copies of contracts, invoices, and shipping documents, would be made available to us. As funds are needed to meet accruing obligations we would transfer cash to the recipient government to be set up in a special account.

We would maintain a small staff in the State Department which would make the necessary arrangements with the recipient government, would keep closely informed in regard to all procurement and shipping activities, and would receive and analyze reports from our missions in the recipient countries regarding current relief needs and compliance with the agreements. We also plan to attach to the United States Embassy in each of the recipient countries a small, well-qualified staff. These persons would supplement the work of the Embassy staff in maintaining controls in the country, observing the relief program, and reporting to the Ambassador and the Department in regard to the progress of the distribution of our supplies and others of similar types in the country, the extent and nature of relief needs, and the effective utilization of locally produced supplies.

5. Conclusion

I have already pointed out that the immediate problem is to maintain the flow of relief supplies. To stop that flow would be disastrous; to interrupt it would be almost equally disastrous. If we fail to provide the relief now when it is needed, much of the humanitarian work heretofore done by our Government and others will be undermined, much suffering and economic deterioration will undoubtedly occur, with political and economic consequences to the rest of the world, ourselves included, not pleasant to contemplate. The President stated the problem clearly when he said in transmitting this request to the Congress:

"The United States, in keeping with our traditions of immediate and wholehearted response to human need, has stood in the forefront of those who have checked the forces of starvation, disease, suffering, and chaos which threatened to engulf the world in the wake of the war. The task is nearly finished. I urge the Congress to act promptly to insure that we do not stop short of the goal; that we do not endanger the permanence of the gains we have helped to achieve."²

² BULLETIN of Mar. 2, 1947, p. 395.

Decartelization Law for United States Zone in Germany

[Released to the press February 27]

United States and United Kingdom decartelization laws became effective in the respective zones of Germany on February 12, 1947.

The United States law provides for the prohibition of restrictive and monopolistic enterprises and practices, and permits Military Government to take the following appropriate steps to eliminate prohibited enterprises or activities:

1. The elimination of corporate entities.
2. The redistribution and removal of property, investments, and other assets.
3. The cancellation of obligations of cartels, syndicates, trusts, combines, or other organizations of a monopolistic or restrictive character.

German participation in international cartels is specifically prohibited.

The text of the decartelization law follows:

UNITED STATES ZONE AND LAND BREMEN LAW No. 56

Prohibition of Excessive Concentration of German Economic Power

This law is enacted, in accordance with paragraph 12 of the Potsdam Agreement, in order: (i) to prevent Germany from endangering the safety of her neighbors and again constituting a threat to international peace, (ii) to destroy Germany's economic potential to wage war, (iii) to insure that measures taken for Germany's reconstruction are consistent with peaceful and democratic purposes, (iv) to lay the groundwork for building a healthy and democratic German economy.

To this end it is desirable that the German economy be reorganized and that concentrations of economic power as exemplified, in particular, by cartels, syndicates, trusts, combines, and other types of monopolistic or restrictive arrangements which could be used by Germany as instruments of political or economic aggression, be eliminated at the earliest practicable date. It is likewise desirable to prevent Germany from using international

cartels and similar international arrangements in the same manner.

It is therefore ordered as follows:

Article 1. Prohibition of Restrictive and Monopolistic Enterprise and Practices

1. Excessive concentrations of German economic power, whether within or without Germany and whatever their form or character, insofar as such concentrations or any part or activity thereof are subject to the jurisdiction of Military Government, are prohibited, their activities are declared illegal and they shall be eliminated, except as hereinafter provided in Article III.

2. Cartels, combines, syndicates, trusts, associations or any other form of understanding or concerted undertaking between persons, which have the purpose or effect of restraining, or of fostering monopolistic control of, domestic or international trade or other economic activity, or of restricting access to domestic or international markets are hereby declared to be excessive concentrations of economic power within the purview of this law.

3. All economic enterprises having their headquarters located in the United States Zone or (*Land Bremen*) and employing, in Germany on the effective date of this law, or thereafter, directly or indirectly, more than 10,000 persons shall be examined as *prima facie* constituting excessive concentrations of economic power, and shall be dealt with in accordance with the provisions of this law if Military Government or its designated agency determines that these enterprises do, in fact, constitute excessive concentrations of economic power provided, however, that when such economic enterprises are located entirely within the United States Zone or (*Land Bremen*) on the effective date of this law, or thereafter, they shall be dealt with in accordance with the provisions of this law as excessive concentrations of economic power unless their continuance is approved by Military Government.

4. It shall be the duty of such agency as Military Government shall designate for the purpose, to determine the general or special circumstances under which any enterprise or activity, not included within the definitions set out in paragraphs 2 and

3 above, but whose character or activities are deemed objectionable, shall be considered to constitute an excessive concentration of economic power. In making such determination, consideration shall be given to the following factors:

(1) The percentage of the total German production or other economic activity in the field in which the enterprise operates which is produced or controlled by such enterprise;

(2) The asset value of the enterprise and its annual volume of business;

(3) The number of persons directly or indirectly employed by the enterprise;

(4) The character of the production and the nature of the activity of the enterprise;

(5) The nature and extent of the participation of the enterprise in any contract, agreement, combination, practice, or other arrangement or relationship of a restrictive or monopolistic character, such as is referred to in paragraph 2 of this article, or which tends to create special privileges in the purchase or sale of materials, to restrict production or distribution, to fix prices, or to allocate business or sales territories, or which provides for the exclusive exchange of patents or technical information;

(6) Any grouping of enterprises or activities of similar or dissimilar character or covering distinct stages of production.

Article II. Prohibition of German Participation in International Cartels

5. Participation, directly or indirectly by any German person within the jurisdiction of Military Government in any cartel, combination, enterprise, activity or relationship which has the purpose or the effect of restraining international trade or other economic activity is hereby declared illegal and is prohibited. This provision shall not be construed, however, to prohibit ordinary agency agreements and transactions of purchase and sale which do not have this purpose or effect.

Article III. Exemptions

6. The agency designated by Military Government to enforce this law will consider, and in approved cases, grant exemptions in respect to any agreement, arrangement, act or purpose otherwise prohibited by this law, if it is considered that the character or activities of the enterprise under review:

(a) Are not repugnant to the purposes of this law; or

(b) Are required to further the declared objectives of Military Government.

Article IV. Powers and Duties of the Implementing Agency

7. The agency designated by Military Government to enforce this law will take such action in regard to the elimination of enterprises or activities prohibited by this law as it finds appropriate to accomplish the purposes thereof, including the elimination of corporate entities, the redistribution and removal of property, investments and other assets and the cancellation of obligations of cartels, syndicates, trusts, combines or other organizations of a monopolistic or restrictive character; and shall to the extent appropriate to carry out the purposes of this law have the power to:

(a) Issue and enforce such rules, regulations, orders, directives, and definitions as it may deem appropriate;

(b) Determine the principles, plans and procedure for the elimination of prohibited enterprises;

(c) Consider reports and proposed plans for elimination of enterprises and activities prohibited by this law and for the establishment of deconcentrated or reorganized production units;

(d) Investigate, collect and compile information concerning the properties, products, ownership, management, control, organization business, and business conduct of any person or enterprise and its relation to other persons or enterprises wherever situated;

(e) Require the compilation and submission of information, and the keeping of records, seize or require the production of records, books of account, contracts, agreements, correspondence, or papers; require the attendance and testimony of witnesses under oath and the production of evidence;

(f) Seize, hold or require the conveyance of property; direct the termination or dissolution of any contract, enterprise, arrangement or relationship; and take such other measures as it may deem appropriate and consistent with the provisions of this law;

(g) Require enterprises subject to the prohibitions of Article I to submit plans for the disposal of assets or other appropriate action for the

purpose of compliance with this law; approve such plans; and prohibit unauthorized transfers of property by such enterprises prior to such approval.

8. The agency referred to in paragraph 7 above may delegate to appropriate German governmental agencies such powers, and may issue such directives with respect thereto, as it may deem necessary for the enforcement and application of this law.

Article V. Definitions

9. As used in this law:

(a) The term "person" shall mean any natural or juristic person existing under public or private law, including associations, corporations, partnerships, or governmental agencies;

(b) The terms "enterprise", "activity" and "relationship" shall mean every kind of economic, business or financial instrumentality, activity or person, whether in the form of a cartel, trust, combine, stock company, syndicate, concern, aggregate of firms or bodies, or otherwise and whether related by agreement, combination, association or understanding;

(c) The expression "cartels, combines, syndicates, trusts, associations or any other form of understanding or concerted undertaking between persons, which have the purpose or effect of restraining or fostering monopolistic control of, domestic or international trade or other economic activity, or restricting access to domestic or international markets" shall include the following:

(1) The fixing of prices or the terms or conditions in the purchase or sale of any product or thing;

(2) The exclusion of any person from any territorial market or field of business activity, the allocation of customers, or the fixing of sales or purchase quotas, except insofar as such arrangements are not designed to reduce competition and are merely *bona fide* marketing arrangements between a particular enterprise and its distributing agents with respect to its products;

(3) The allocation of distributors or the allocation of products among customers;

(4) The boycott of, or discrimination against, any manufacturer, distributor, consumer, or other person for the purpose of eliminating or preventing competition;

(5) The limitation of production or the fixing of production quotas;

(6) The suppression of technology or invention, whether patented or unpatented;

(7) The devising of any arrangement, in connection with the exploitation of patents or other similar exclusive privileges, so as to extend the monopoly or privilege to matters not contained in the authorized grant;

(d) The terms "ownership" and "control" shall include every kind of economic, business, or financial relationship which has the effect of establishing common or concerted action among two or more business units, whether in the form of majority or minority stock participations, direct or indirect power to vote shares, ownership of certificates or other evidences of indebtedness carrying management privileges, personal relationships such as common offices or directorships, contractual arrangements or agreements, or any other relationship having the like effect.

(e) The term "subject to the jurisdiction of Military Government" and "U.S. Zone" shall include, in addition to the U.S. Zone of Germany, *Land Bremen*.

Article VI. Conflicting Laws Repealed

10. This law, and all regulations, orders and directives issued under it, shall be deemed to repeal, alter, amend or supersede all provisions of German law inconsistent therewith.

Article VII. Penalties

11. Any judicial proceedings under this law shall be taken before either German courts or Military Government courts as Military Government shall decide.

12. Any person violating, or evading, or attempting to violate or evade, or procuring the violation of any provision of this law or of any regulation, order or directive issued thereunder shall upon conviction, be liable to a fine of not more than RM 200.000 or to imprisonment for not more than ten (10) years, or both.

Article VIII. Effective Date

13. This law shall become effective on 12 February 1947, provided, however, that for a period of six months thereafter, the continuation of acts or condition prohibited under paragraph 3 of Article I shall not subject the violator to criminal prosecution. If it appears to the satisfaction of the agency designated by Military Government that, in the case of a particular enterprise, a longer

period is required to effect compliance with this law, said period of six months may be extended as may be necessary.

REGULATION NO. 1

I. *Purpose of This Regulation*

This regulation is issued under and in amplification of Law No. 56 and shall become effective on 12 February 1947. It has the purpose of:

(a) Defining the procedure to be adopted by enterprises affected by Law No. 56 (hereinafter called "subject" enterprises);

(b) Defining the procedure which shall govern applications for exemptions from the operation of the law and requests for interpretation.

(c) Defining the rights of subject enterprises to appeal.

II. *Exemptions*

A. Exemption is hereby granted to the Reichsbahn, the Reichspost, and to public utilities in the U.S. Zone, except that Military Government or its designated agency may require them to submit reports and any other relevant information.

B. Exemption is also granted to enterprises which are taken into control by Military Government, except that Military Government or its designated agency may call upon the controlling authorities to submit reports and any other relevant information. At the effective date of this regulation these enterprises comprise I. G. Farbenindustrie—taken into control under General Order No. 2 pursuant to Military Government Law No. 52.

III. *Application of This Regulation*

A. This regulation applies to every German economic enterprise falling within the scope of Article I and II of Law No. 56 and subject to the jurisdiction of United States Military Government.

B. In every case the size and character of the whole enterprise whether totally within the jurisdiction of United States Military Government or not, will be considered in determining the standing of the enterprise in relation to Law No. 56.

IV. *Persons Responsible for Compliance With This Regulation*

Owners, officers, directors and trustees of subject enterprises shall be responsible for compliance

with this regulation. If such owners, officers and directors are outside the jurisdiction of the United States Military Government, the German managers and individuals exercising supervision of the property of the subject enterprise which is located in the U.S. Zone shall be responsible for such compliance.

V. *Procedure To Be Followed by Subject Enterprises*

A. Every subject enterprise shall submit reports in triplicate to the Chief of the Decartelization Branch, Economics Division, OMGUS, Berlin, on or before 1 April 1947, setting out the following information:

(a) A list of all properties and assets, both tangible and intangible, which the reporting enterprise owned or controlled at the effective date of Law No. 56;

(b) A statement showing all cartels, agreements and practices prohibited by Law No. 56, in which the subject enterprise has been a participant since 1 January 1938;

(c) A statement of the names, addresses and holdings of all stockholders of record, including a statement of all beneficial owners known;

(d) A copy of the most recent balance sheet, copy of income and profit and loss statements for the latest twelve-month period in respect of which such statements are available.

(e) A statement of the highest number of persons employed by the enterprise at any time during the calendar year preceding the date of its report.

B. Every enterprise which shall hereafter become subject to Law No. 56 either by increase in size or by the nature of its relationship or activities, shall, immediately upon such development, comply with the provisions of this regulation.

C. Where there is doubt as to whether an enterprise is subject to Law No. 56, the report will be completed and returned with a memorandum requesting a ruling on any doubtful points.

D. Where an enterprise falls within the scope of Articles I and II of Law No. 56, but it is contended that exemption from the operation of the law should be granted, the report will be completed and submitted with a memorandum requesting exemption and setting out the grounds therefor.

E. The designated agency of Military Govern-

ment may, in pursuance of Article I, paragraph 4, of Law No. 56, require any German firm within its jurisdiction whose activities appear objectionable, regardless of its size and character, to render a report within a stated period.

VI. *Enforcement Provisions*

A. The designated agency of Military Government will scrutinize all reports received and will notify each enterprise, according to its findings, whether it:

(a) Comes within the scope and must comply with Law No. 56; or

(b) Is exempt from the operation of this law.

B. Subject enterprises which receive orders to decentralize or otherwise comply with Law No. 56 shall, within three (3) calendar months of the issuance of such orders, prepare and submit a plan for dispersing their assets or otherwise complying with the law, and on approval or amendment of this plan by the designated agency of Military Government, shall proceed to carry it out within the prescribed time limit.

VII. *Approval of Proposed Sales*

No enterprise which comes within the purview of paragraph 3, Article I, of Law No. 56, shall subsequent to the effective date of Law No. 56, dispose of any of its capital assets by sale or otherwise without the express written approval of Military Government or its designated agency.

VIII. *Hearings and Appeals*

A. All evidence relied upon by the subject enterprise in support of its claim to exemption must be submitted to the agency designated by Military Government for the purpose of determining whether the enterprise comes within the scope of Law No. 56 or whether it is to be exempt from the operation of such Law. Oral argument before such agency will be permitted only when it is established that the enterprise cannot adequately present its case in writing. A request therefore must be filed when the claim for exemption is submitted in writing. Presentation of new or additional evidence will not be permitted at the hearing of such oral argument. The decision of such agency shall be in writing and a copy thereof shall be transmitted promptly to the subject enterprise.

B. An appeal to such body as shall be designated

by Military Government may be taken by the aggrieved person from the decision of the agency within fourteen (14) days after the receipt of a copy thereof. If the appeal is found by the appellate body to have been taken without good cause and solely for purposes of delay, it shall be dismissed forthwith and the appellant shall thereupon become liable to the penalties prescribed in Law No. 56.

IX. *Penalties*

Failure to comply with the provisions of this regulation or of any order or directive issued thereunder or any willful falsification of information required to be submitted thereby shall be punishable under Article VII of Law No. 56.

Appointment of Members to Military Tribunal

On February 21, 1947, by Executive Order 9827 (12 *Federal Register* 1215), the following persons were appointed to serve on military tribunals established by the military governor for the United States zone of occupation within Germany:

Carrington Tanner Marshall, formerly Chief Justice of the Supreme Court of the State of Ohio; James Tenney Brand, Associate Justice of the Supreme Court of the State of Oregon; and Mallory B. Blair, formerly Associate Justice, Court of Civil Appeals, State of Texas, as the members; and Justin Woodward Harding, of the bar of the State of Ohio, as the alternate member.

Publication of Official Text of Nürnberg Verdict

The complete official text of the verdict of the International Military Tribunal at Nürnberg, which has not previously been available to the public, was published on February 25 for general distribution.

Copies of this historic document, which marked the culmination of more than ten months of trial of the major Nazi war criminals, may be obtained from the Superintendent of Documents, Government Printing Office, Washington 25, D.C., at \$1.25 in the clothbound edition, or at \$.45 in the paper pamphlet edition.

Postal Regulations for Printed Matter to U.S. and British Zones in Germany

On February 4, 1947 the Post Office Department issued the following regulations:

"Effective February 4, 1947, non-commercial printed matter up to a weight limit of four pounds six ounces, when sent as gift, may be accepted for mailing to the United States Zones of Germany, excluding Berlin.

"The term 'non-commercial printed matter' may be interpreted as referring to newspapers, news and fashion magazines, books on any subject, sheet music, and periodicals devoted to special fields of interest such as art, medicine, literature and similar subjects. Individuals in the United States may direct publishers to mail gift printed matter. It is not permissible, however, to send mail order catalogues or other printed matter of a commercial nature.

"The covers or wrappers of printed matter addressed to the American Zone of Germany must be plainly marked 'Non-Commercial Printed Matter,' and a list of the articles enclosed must be plainly endorsed on or securely attached to the cover."

Supplementary regulations issued on February 12 and effective February 15, 1947, provide that non-commercial printed matter may be accepted for mailing to the British zone of Germany under the same conditions.

Abolishment of Board of War Communications: Executive Order 9831¹

By virtue of the authority vested in me by the Constitution and statutes, including the Communications Act of 1934 (48 Stat. 1104, as amended; 47 U. S. C. 606), and as President of the United States, and in the interest of the internal manage-

¹ 12 *Federal Register* 1363.

² BULLETIN of Mar. 2, 1947, p. 396.

³ As to transportation and other facilities to be made available to enable the Rumanian Red Cross, under the supervision of the American Red Cross, to distribute 4,500 tons of ten-in-one rations and 2,500 tons of beans to the starving people of Moldavia without charge and with guaranties against discrimination on political, racial, religious, or social grounds.

ment of the Government, it is hereby ordered as follows:

1. The Board of War Communications, established as the Defense Communications Board by Executive Order No. 8546 of September 24, 1940, is abolished, and all property and records thereof are transferred to the Federal Communications Commission.

2. Executive Orders Nos. 8546 of September 24, 1940, 8960 of December 6, 1941, 8964 of December 10, 1941, 9089 of March 6, 1942, and 9183 of June 15, 1942, are revoked.

HARRY S. TRUMAN

THE WHITE HOUSE

February 24, 1947

Rumania Accepts U.S. Offer of Food Relief

[Released to the press February 25]

The Rumanian Government has now replied to communications addressed to it by the United States representative in Rumania concerning assurances desired in connection with American steps to alleviate starvation conditions in that country, which were announced by the President on February 17.²

The Rumanian Government expresses its gratitude to the United States for the assistance the American people are extending to the Rumanian people at this difficult time. The Rumanian Government states that in accordance with the specifications set forth³ urgent steps are being taken in order that the mission of the American Red Cross in Rumania may be accomplished. It is understood that the vessel carrying the 7,000 tons of relief food is already in the Mediterranean en route to Constanta.

As regards additional food supplies in the form of cereal grains for purchase by Rumania, the Rumanian Government gives assurances that, so long as the present famine conditions continue, Rumania will not export, or permit the export from Rumania of, any cereal grain in payment of reparations or of grain loans from other countries, for commercial purposes or for any other reason. The Rumanian Government will also hold at the dis-

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posal of United States representatives in Rumania all data and information, as well as daily survey reports, regarding this distribution of grain originating in the United States, under a procedure established by mutual agreement; and distribution of such grain will likewise be effected without any political, social, racial, or religious discrimination.

U.S.—French Discussions on Bilateral Patent Agreement

[Released to the press February 25]

The Department of State announced on February 25 that a delegation of French officials headed by M. E. Mathon, Director of the Office of Industrial Property (Patent Office), will arrive in Washington the week of March 10 for informal discussions looking to the possibility of a bilateral patent agreement.

The French Delegation, which will include several officials of the French Foreign Office, will meet with U.S. Commissioner of Patents Caspar W. Ooms and members of the Department of State.

Topics of discussion will include the rights of nationals of France and the United States to take out patents in each other's countries, a need arising out of the long wartime interruption of patent activity. It is anticipated that matters of mutual interest in the field of trade-marks also will be discussed.

The Department pointed out that the Governments of France and the United States always have maintained the closest and most cordial relations in the field of patents and trade-marks.

U.S. Reiterates Non-Political Concern in Palestine Situation

[Released to the press by the White House February 26]

The impression that has arisen from the debate in the British Parliament on February 25 that America's interest in Palestine and the settlement of Jews there is motivated by partisan and local politics is most unfortunate and misleading.

The President's statement of October 4, 1946,¹ which was referred to in that debate, merely reaffirmed the attitude toward Palestine and Jewish immigration into Palestine which the United States Government has publicly expressed since the summer of 1945. This attitude was and is

based upon the desire of the President to advance a just solution of the Palestine problem. Our position on this subject was communicated to the British Government by the President in his letter to Prime Minister Attlee on August 31, 1945, which was publicly released by the President on November 13, 1945,² when he announced the establishment of the joint Anglo-American Committee of Inquiry. The statement of October 4, 1946 reiterated this Government's position, which was already fully known to all parties to the Palestine negotiations.

America's interest in Palestine is of long and continuing standing. It is a deep and abiding interest shared by our people without regard to their political affiliation.

United States Granted Fifth Freedom Air Rights at Ceylon

[Released to the press February 25]

A request of the Government of the United States for Fifth Freedom air rights at Ceylon on an interim basis has been approved by the British Ministry of Civil Aviation, the Department of State announced on February 25.

The Fifth Freedom rights were granted on an interim basis pending a decision as to the ultimate constitutional position of Ceylon. It is understood that the rights will be valid until the United States Government concludes a separate air agreement with the Ceylon Government.

Under the International Air Transport Agreement, Fifth Freedom rights are defined as follows:

"The privilege to take on passengers, mail and cargo destined for the territory of any other contracting State and the privilege to put down passengers, mail and cargo coming from any such territory."

Bilateral air-transport agreements granting full Fifth Freedom rights have been formally concluded with the following nations: Australia, Belgium, Brazil, Czechoslovakia, Denmark, Egypt, France, Greece, Iceland, India, Ireland, Lebanon, New Zealand, Norway, the Philippines, Portugal, Spain, Sweden, Switzerland, Turkey, the United

¹ BULLETIN of Oct. 13, 1946, p. 669.

² BULLETIN of Nov. 18, 1945, p. 790.

Kingdom, Uruguay, China, Peru, and Ecuador.

Interim Fifth Freedom rights are in effect with Newfoundland pending the settlement of its constitutional status.

U.S. Interest in Self-Government for India

[Released to the press February 25]

Relations between the United States and India have assumed a new significance with the arrival in this country on February 20 of India's Ambassador-designate, Asaf Ali, and the declaration by the British Prime Minister on the same day that the British Government would transfer power "into responsible Indian hands by a date not later than June 1948".

In recent official statements this Government has made clear its interest in India's peaceful transition to full self-government. At the same time it has welcomed the persistent and sincere efforts of the British Government to bring the major Indian political parties together within the framework of a constitutional plan that would lead to the early establishment of a federal union for the 400,000,000 people of India. We continue to believe that this plan offers a just basis for cooperation.

It would be difficult to exaggerate the magnitude of the task faced by the Indian leaders or the heavy responsibilities that rest upon them as they endeavor to bring freedom, political stability, and economic progress to such a large segment of the human race.

This Government fully appreciates the grave character of the British decision to set a definite and early date for the completion of the process of transferring power to responsible Indian hands. It profoundly hopes that Indian political leadership will accept this clear-cut challenge and proceed to break the impasse between the Congress and the Muslim League. The Indian internal crisis threatens to prevent India from making its rightful and honorable contribution to the maintenance of international peace and prosperity. An India torn by civil strife would not only find it difficult to make this positive and greatly needed contribution but could conceivably become the source of new international tensions in a world only now beginning to grope its way back to peace.

Letters of Credence

India

The newly appointed Ambassador of India, Asaf Ali, presented his credentials to the President on February 28. For text of the Ambassador's remarks, and for the President's reply, see Department of State press release 155 of February 28, 1947.

Air-Transport Agreement With Siam

An air-transport agreement between the United States and Siam was signed in Bangkok on February 26 at 10 a.m., Bangkok time. Minister Edwin F. Stanton signed the agreement on behalf of the United States Government. Prime Minister T. Thamrong Nawasawat, who is concurrently Foreign Minister, signed on behalf of the Government of the Kingdom of Siam.

The text of the agreement is similar to several of the bilateral air-transport agreements recently concluded between the United States and foreign countries.

The agreement will permit operations through Bangkok in both directions by Pan American Airways on its certificated routes from the United States and India to Saigon, Indochina, and beyond to China and the Philippines and across the Pacific to the West Coast. A Siamese airline is authorized to serve a route from Siam to Honolulu and Los Angeles.¹

John J. McCloy Elected President of International Bank

The executive directors of the International Bank for Reconstruction and Development announced on February 28 the election of John J. McCloy as president of the International Bank. Mr. McCloy will assume his duties as president of the Bank on March 17, 1947.

¹For text of the agreement see Department of State press release 152 of Feb. 27, 1947.

Philippine Corporations and Shareholders Required To Present Records

[Released to the press February 28]

Act number 62 of the Philippine Republic, enacted October 17, 1946, and the Regulations issued pursuant thereto on November 29, 1946, require holders of securities of Philippine corporations or other business associations to file claims and present evidence of ownership within a period to be fixed by the board of directors of each corporation, this period to be not less than six months but not to extend beyond June 30, 1947. The Philippine Securities and Exchange Commission may "upon proper cause shown . . . in general or specific cases" extend this period for up to six months. The proof of ownership is to be presented at the principal office of the corporation or association involved.

The law and regulations are designed primarily to enable Philippine business entities to reestablish their stock registries and other records, many of which were lost or destroyed during the war. The term "securities", however, includes stocks, bonds, and shares in limited partnerships. It is intended to issue new securities to replace those now outstanding.

The law and regulations apply to all securities of corporations and other forms of associations that issued securities on or before March 1, 1945. The evidence to be presented by the security holder may be the "share certificates or bonds, receipts of payment on shares, deeds of transfer or sale, and other papers or documents evidencing and/or indicating title to the securities. Holders who have lost their certificates and/or other written evidence of ownership may present "affidavits of ownership" to be filed in triplicate, showing the following: (a) how, when, and where their certificates or other evidence of ownership were lost or destroyed; (b) the number of shares represented by such certificates or other evidence of ownership; (c) the serial number of each certificate, if known; (d) the name of the issuing corporation; (e) the amount paid on each certificate; (f) such other facts as will tend to establish title to the securities; and (g) that diligent efforts have been exerted to

locate the lost or destroyed certificates or other evidence of ownership.

Similar affidavits or other proof may be required of holders who have submitted other evidence not satisfactorily proving ownership of securities.

Security holders residing abroad may file claims through duly authorized attorneys-in-fact.

Upon receipt of "satisfactory proof of ownership" the organization that issued the security is required to issue a new certificate to the person who has established title thereto. However, if evidence of ownership was submitted in the form of an "affidavit of ownership", the issuing organization is required, prior to issuing a new certificate, to give public notice of the substance of the affidavit by advertising (at the expense of the claimant) once a week for three consecutive weeks in a newspaper of general circulation at the place where its principal office is located; if no newspaper is published there, the advertisement is to be placed in a newspaper of general circulation in the Philippines. If no adverse claim is presented within one month after the date of the last publication, the issuing organization is required to issue a new certificate to the claimant. Prior to delivery of the new certificate, however, the issuing company may require the claimant to post a bond or other security running for one year. The claimant may avoid posting bond by leaving the new security in possession of the issuing company during the year.

Adverse claimants or other persons in interest are given one year from the date of recognition of a claim for ownership to bring action against the issuing organization to contest such recognition, except where fraud or bad faith is alleged. This statute of limitations applies only to actions against the issuing organization and does not affect the rights of redress an adverse claimant may have against a successful claimant.

Within 15 days after expiration of the period established for submitting proof of ownership, all organizations concerned are required to submit a detailed report to the Securities and Exchange Commission. Certificates covering securities for which no claim or evidence of ownership was sub-

mitted, or for which evidence of ownership was not satisfactorily established, are required to be issued in the name of and to be delivered to the Securities and Exchange Commission. The Commission is required to hold them "in trust" for three years during which claimants thereto may present proof of ownership in accordance with the same standard established for presentation to the issuing organizations. At the end of the three-year period the securities as to which no claim has been filed nor satisfactory proof of ownership submitted, and which are not the subject of litigation, will escheat to the Philippine Government.

Act number 62 also authorizes the Securities and Exchange Commission to establish a procedure whereby concerns whose articles of incorporation and by-laws or articles of copartnership are totally or partially lost or destroyed are to reconstruct them. The organizations affected must comply, or make a "reasonable effort" to comply, with the procedure established by the Securities and Exchange Commission, within a period of two years from October 17, 1946. Failure to do this will result in the corporations' loss of all rights, powers, and privileges afforded by their past registration.

In essence the regulations of the Securities and Exchange Commission require the organizations concerned to reconstruct their articles of incorporation and by-laws to the best of their ability, and to submit them, with certain other data, in the form of a petition to the Commission. This petition is

to be considered by the Commission at a public hearing, where any person may raise objections to the proposed reconstructed records. A fee is charged by the Commission for its participation in this procedure.

Organizations whose records are intact are required to furnish the Commission with two certified copies of their articles of incorporation and by-laws, or articles of copartnership, and of all amendments thereto, together with certain other information. Additional provisions apply to corporations organized to engage in mining, and those organized during the Japanese occupation.

Letters of Credence

Colombia

The newly appointed Ambassador of Colombia, Gonzalo Restrepo Jaramillo, presented his credentials to the President on February 25. For the translation of the Ambassador's remarks and for the President's reply, see Department of State press release 141 of February 25.

Dominican Republic

The newly appointed Ambassador of the Dominican Republic, Julio Ortega Frier, presented his credentials to the President on February 27. For the translation of the Ambassador's remarks and for the President's reply, see Department of State press release 151 of February 27.

Report of the Air Coordinating Committee

LETTER OF TRANSMITTAL FROM THE PRESIDENT TO CONGRESS

To the Congress of the United States:

I transmit to the Congress, for its information and consideration, the First Report of the Air Coordinating Committee, for the calendar year 1946.¹

The Committee was established by Executive Order on September 19, 1946, in order to achieve full development and integration of United States aviation policies and activities, and includes representatives of the executive agencies primarily concerned with aviation. Through its Aviation

Industry Advisory Panel, the Committee draws upon the experience and the views of the air transport and aircraft manufacturing industry, of organized labor, and of other aviation interests.

It is my hope that the Report may prove useful to the Congress in its deliberations on aviation matters, which are of such great concern to our country's welfare.

HARRY S. TRUMAN

THE WHITE HOUSE
February 26, 1947

Department of State Bulletin

¹ Not printed.

Fire-Hose Concession Withdrawn From Trade Agreement With Canada

[Released to the press February 25]

The Department of State announced on February 25 that the President has issued a proclamation withdrawing the tariff concession on linen fire hose granted in the trade agreement with Canada. The duty on this product will accordingly return to the rate provided for in the Tariff Act of 1930.

This action was taken to alleviate injury threatening a domestic industry because of unforeseen and increased competition resulting from extension of the concession to countries other than Canada. The proclamation was issued under article XIV of the Canadian agreement, which provides that either Government has the right, after consultation with the other, to withdraw or modify a given concession if it is found that third countries are receiving major benefits from the concession and that imports are increased to such an extent as to threaten serious injury to domestic producers of the article in question. There are similar provisions in some other trade agreements.

After informal conferences and investigations held by the Committee for Reciprocity Information, the United States Government announced on January 10, 1947 that imports of linen fire hose were entering the country principally from countries other than Canada and were considerably higher in volume than they had been before the granting of the concession.¹ It was also stated at the same time that this Government proposed to withdraw the concession unless convincing reasons for not doing so were presented to the Committee for Reciprocity Information before January 30. No such reasons were offered. The Canadian Government has been consulted and has offered no objection to withdrawal of the concession.

The President's proclamation issued February 22, 1947 withdraws the tariff concession on "hose, suitable for conducting liquids or gases, wholly or in chief value of vegetable fiber" granted in item 1007 of schedule II of the trade agreement with Canada, signed November 17, 1938. Under the trade agreement the duty had been reduced to 10 cents a pound plus 7½ percent ad valorem. The duty on this product will now return to 19½ cents a pound plus 15 percent ad valorem, which is the rate provided for in the Tariff Act of 1930. Im-

ports entering the United States under this item are almost entirely of linen fire hose.

The text of the proclamation follows:

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS, pursuant to the authority conferred by section 350(a) of the Tariff Act of 1930, as amended by the act of June 12, 1934 entitled "AN ACT To amend the Tariff Act of 1930" (48 Stat. 943), the period within which such authority may be exercised having been extended by joint resolution approved March 1, 1937 (50 Stat. 24), the President of the United States of America, through his duly empowered Plenipotentiary, entered into a trade agreement on November 17, 1938 (53 Stat. 2350) with His Majesty the King of Great Britain, Ireland and the British dominions beyond the Seas, Emperor of India, in respect of Canada, through his duly empowered Plenipotentiary, which trade agreement was proclaimed by the President on November 25, 1938 (53 Stat. 2348) and June 17, 1939 (53 Stat. 2394), acting pursuant to the authority conferred by the said section 350 (a) ;

WHEREAS article VII of the said agreement provides as follows (53 Stat. 2352) :

"1. Articles the growth, produce or manufacture of Canada enumerated and described in Schedule II annexed to this Agreement shall, on their importation into the United States of America, be exempt from ordinary customs duties in excess of those set forth and provided for in the said Schedule, subject to the conditions therein set out. The said articles shall also be exempt from all other duties, taxes, fees, charges, or exactions, imposed on or in connection with importation, in excess of those imposed on the day of the signature of this Agreement or required to be imposed thereafter under laws of the United States of America in force on the day of the signature of this Agreement.

"2. Schedule II shall have full force and effect as an integral part of this Agreement."

WHEREAS item 1007 of schedule II annexed to

¹ BULLETIN of Jan. 19, 1947, p. 137.

the said agreement provides as follows (53 Stat. 2388) :

"United States Tariff Act of 1930 Paragraph	Description of Article	Rate of Duty
"1007	Hose, suitable for conduct- ing liquids or gases, wholly or in chief value of vegetable fiber	10¢ per lb. and 7½ ad val.";

WHEREAS article XIV of the said agreement provides as follows (53 Stat. 2354) :

"The Government of each country reserves the right to withdraw or to modify the concession granted on any article under this Agreement, or to impose quantitative regulations on the importation of any such article if, as the result of the extension of such concession to other foreign countries, such countries obtain the major benefit of the concession, and if in consequence imports of the article concerned increase to such an extent as to threaten serious injury to domestic producers: Provided, That before any action authorized by the foregoing reservation is taken, the Government proposing to take such action shall give notice in writing to the other Government of its intention to do so, and shall afford such other Government an opportunity within thirty days after receipt of such notice to consult with it in respect of the proposed action.";

WHEREAS, as a result of the extension to other foreign countries of the concession on hose enumerated and described in the said item 1007 of Schedule II annexed to the said agreement, such countries have obtained the major benefit of the concession on the hose enumerated and described in the said item, and in consequence imports of said hose have increased to such an extent as to threaten serious injury to domestic producers;

WHEREAS notice in writing has been given, and an opportunity for consultation afforded, to the Government of Canada by the Government of the United States of America regarding its intention to withdraw the concession on the said articles;

WHEREAS the Government of Canada has signified its agreement with respect to such withdrawal;

AND WHEREAS the final sentence of said section

¹ Senate bill 568, and House bill 1819, 80th Cong.

350(a) authorizes the President of the United States of America to terminate in whole or in part the proclamation of the trade agreement entered into and proclaimed under said section 350(a) ;

Now, THEREFORE, be it known that I, Harry S. Truman, President of the United States of America, acting under the authority conferred by the said section 350(a) of the Tariff Act of 1930, as amended, do hereby proclaim that the proclamations of November 25, 1938 and June 17, 1939, in so far as they relate to hose enumerated and described in item 1007 of Schedule II of the said agreement, shall not be in effect after March 31, 1947, and that the provisions of paragraph 1007 of section 1 of the Tariff Act of 1930, as amended (46 Stat. 644), shall be in effect on and after April 1, 1947.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at Washington this twenty-second day of February in the year of our Lord one thousand nine hundred forty-seven, and of the Independence of the United States of America the one hundred seventy-first.

HARRY S. TRUMAN

By the President:

GEORGE C. MARSHALL
Secretary of State

Aid to Mexico in Fighting Foot-and-Mouth Disease

STATEMENT BY THE PRESIDENT

[Released to the press by the White House February 28]

Signing of this bill marks a new forward step in Western Hemisphere cooperation.¹ For many years two of the world's most devastating livestock diseases—foot-and-mouth disease and rinderpest—have increasingly plagued the New World. I am glad to support this worthy legislation which Congress has wisely and quickly enacted. It means that the United States now becomes the ally of Mexico in fighting off these highly infectious animal diseases, costly to livestock producers and consequently to the consumers of livestock products.

THE CONGRESS

Extension of Inter-American Coffee Agreement of November 28, 1940: Report to accompany S. Exec. B, 80th Cong., 1st sess. S. Exec. Rept. 1, 80th Cong., 1st sess. 7 pp.

Proceedings Against Gerhart Eisler: Report citing Gerhart Eisler. H. Rept. 43, 80th Cong. 4 pp.

Safety in Air Navigation: Preliminary Report of the Committee on Interstate and Foreign Commerce, House of Representatives, pursuant to Sec. 136 of the Legislative Reorganization Act 1946 (Public Law 601, 79th Cong.). H. Rept. 59, 80th Cong. 4 pp.

Recommendation for Repeal of Certain Temporary Statutes; Message from the President of the United States transmitting his recommendation for the repeal of certain temporary statutes still in effect by virtue of the emergencies proclaimed by the President in 1939 and 1941. H. Doc. 141, 80th Cong. 20 pp.

Estimates of Appropriation Submitted by Several Executive Departments and Independent Offices To Pay Damage Claims: Communication from the President of the United States transmitting estimates of appropriation submitted by the several executive departments and independent offices to pay claims for damages to or losses of privately owned property, in the sum of \$34,040.89, which have been considered and adjusted under the provisions of the act of December 28, 1922 (31 U.S.C. 215), and which require appropriations for their payment. H. Doc. 124, 80th Cong. 11 pp. [Department of State, p. 7.]

Investigation of Air Safety: Interim Report of the Committee on Interstate and Foreign Commerce, United States Senate, on S. 3, to provide for the training of air-traffic control-tower operators, S. 4, authorizing the advanced training in aeronautics of technical personnel of the Civil Aeronautics Administration, and S. 269, to create an independent air safety board. S. Rept. 36, 80th Cong. 17 pp.

Recommending Authorization for Relief Contribution for People of Liberated Countries: Message from the President of the United States transmitting his recommendation that the Congress authorize the appropriation of not to exceed \$350,000,000 to assist in completing the great task of bringing relief from the ravages of war to the people of the liberated countries. H. Doc. 144, 80th Cong. 7 pp.

Taxability of Gifts to the United Nations: Report to accompany H. J. Res. 121. S. Rept. 35, 80th Cong. 7 pp.

Presidential Terms of Office: Report to accompany H. J. Res. 27. S. Rept. 34, 80th Cong. 3 pp.

Recommending Congress Authorize the United States to Participate as Member of the International Refugee Organization: Message from the President of the United States transmitting his recommendation that the Congress authorize the United States to participate as a member of the International Refugee Organization. H. Doc. 145, 80th Cong. 2 pp.

March 9, 1947

THE FOREIGN SERVICE

Christian M. Ravndal Appointed Deputy Director General of Foreign Service

The Department of State announced on February 26 the appointment of Christian M. Ravndal as Deputy Director General of the Foreign Service and Director of the Office of the Foreign Service.

Mr. Ravndal, a Foreign Service officer of class 1, who has been serving as Counselor of Legation at Stockholm, replaces Julian Harrington, who became Counselor of Embassy in Ottawa in January.

Confirmations

On February 21, 1947 the Senate confirmed the nomination of Josiah Marvel, Jr., to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Denmark.

THE DEPARTMENT

Appointment of Officers

Olcott H. Deming as Executive Secretary, Secretariat of the Interdepartmental Committee on Scientific and Cultural Cooperation, effective January 26, 1947.

Eric C. Bellquist as Chief, Area Division I (Europe), effective February 17, 1947.

Howard Donovan as Chief, Division of Foreign Service Administration, effective February 17, 1947.

Fritz E. Oppenheimer as Special Assistant for German-Austrian Affairs, and Henry Ingraham as Special Assistant for Atomic Energy Matters, Office of the Legal Adviser, effective February 3, 1947.

Conrad E. Snow as Assistant Legal Adviser for Political Affairs; John B. Howard as Assistant Legal Adviser for International Organization Affairs; Benedict M. English as Assistant Legal Adviser for International Claims; Seymour J. Rubin as Assistant Legal Adviser for Economic Affairs; Lionel M. Summers as Assistant Legal Adviser for Administration and Foreign Service; Richard W. Flournoy as Assistant Legal Adviser for Special Problems; Thomas E. Bracken as Assistant Legal Adviser for Public Affairs; Raymond T. Yingling as Assistant Legal Adviser for Military Affairs and Occupied Areas; and Bryton Barron as Assistant for Treaty Affairs, all in the Office of the Legal Adviser, effective February 3, 1947.

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Contributors

Velma Hastings Cassidy, author of the article on the Allied administration in Austria, is Research Associate in the Foreign Policy Studies Branch, Division of Historical Policy Research, Office of Public Affairs, Department of State. Mrs. Cassidy prepared the article in collaboration with the Office of the Assistant Secretary for Occupied Areas, Department of State.

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REPORT ON THE SOUTH SEAS CONFERENCE

With an Analysis of the Agreement Establishing the South Pacific Commission

by Emil J. Sady

Delegates to the South Seas Conference representing the governments which administer non-self-governing territories in the South Pacific drew up and signed an agreement establishing the South Pacific Commission. The Commission will seek to promote the economic and social advancement of 2,000,000 people in the South Pacific. This article presents a brief report of the Conference and an analysis of the agreement.

The South Seas Conference which convened at Canberra from January 28 to February 6, 1947 was attended by delegations representing the governments which administer non-self-governing territories in the South Pacific region—Australia, France, the Netherlands, New Zealand, the United Kingdom, and the United States. The Conference was called by the Australian and New Zealand Governments in fulfilment of one of the goals which the two Governments had set for themselves in the Canberra pact of January 1944.

The primary task of the Conference was to prepare an agreement for the establishment of a regional commission which might assist the participating governments in promoting the social and economic advancement of the peoples of South Pacific territories. The delegations which devoted themselves to this task consisted largely of officials in the foreign and colonial offices of the respective governments, diplomatic representatives in Australia, and administrators of territories in the South Pacific.¹

In his address before the opening plenary session of the Conference, Ambassador Butler, United States Delegate, stated:

"This is indeed an important occasion, one which

reflects the good faith and purpose which joined the governments here assembled during the recent war, one which is filled with hope and promise for the people of the South Pacific island territories.

"To obtain an adequate measure of the significance of this conference, one has only to recall the varied history of the peoples of the South Pacific and the many common problems which beset their economic and social life. Particularly deserving of note is the fact that this is the first time the administrators of the area have met together with a view to sharing their common experiences and working out the basis for future cooperation. In addition one must recognize the obligations as-

¹ The U.S. Delegation was composed as follows: *Delegate*: Robert Butler, U.S. Ambassador to Australia; *Principal Adviser*: Capt. Harold A. Houser, U.S.N., Governor of American Samoa and Navy Department Representative; *Advisers*: James Frederick Green, Associate Chief, Division of Dependent Area Affairs, Department of State; Roy E. James, Division of Territories and Island Possessions, Department of the Interior; Abbot Low Moffat, Chief, Division of Southeast Asian Affairs, Department of State; and Arthur L. Richards, Assistant Chief, Division of British Commonwealth Affairs, Department of State; *Secretary*: Emil J. Sady, Division of Dependent Area Affairs, Department of State.

sumed under chapter XI of the United Nations Charter by the governments represented here to cooperate with one another to promote the welfare of the inhabitants of non-self-governing territories."

Conference Officers and Organization

The delegates elected as chairman and vice chairman of the Conference, respectively, Herbert Vere Evatt, Deputy Prime Minister and Minister of External Affairs of Australia, and Walter Nash, Deputy Prime Minister and Minister of Finance of New Zealand, both active proponents of United Nations and other international programs to improve the political, economic, and social status of the inhabitants of non-self-governing territories. E. W. P. Chinnery, Australian Commonwealth Adviser in Native Matters, was elected Secretary of the Conference. In his address before the closing plenary session, Ambassador Butler paid tribute to the leadership of these officers and to the efficiency and industry of the entire Conference secretariat staff.

The Conference was organized into six committees: Committee I, Area and Structure (chairman, Mr. Moffat, U.S.); Committee II, Powers and Functions (chairman, Ivor Thomas, M.P., U.K.); Committee III, Auxiliary Bodies (chairman, A. Gazel, France); Committee IV, Finance (chairman, A. J. Beversluis, Netherlands); Committee V, Immediate Projects (chairman, A. G. Osborne, M.P., New Zealand); Committee VI, Drafting (chairman, H. V. Evatt, Australia).

The fact that an agreement establishing the South Pacific Commission was drafted and signed, by the representatives of six government, in eight days is largely attributable to the circumstance that four of the governments participating in the Conference were already members of the Caribbean Commission, a regional organization established by an agreement signed on October 30, 1946 to serve the peoples of non-self-governing territories in the Caribbean. The agreement for the Caribbean Commission and the experience of the Commission in operating under this agreement were drawn upon in an effort to work out the most effective arrangement possible for the South Pacific Commission. Another factor making for unity

was the common purpose and outlook of the delegations—in general, their common desire to cooperate with one another for the advancement of the inhabitants of the South Pacific and to enlist the participation of the inhabitants themselves in this joint endeavor.

Analysis of the Agreement

Purpose of the Commission. The governments declare in the preamble that the agreement is founded on their desire ". . . to encourage and strengthen international co-operation in promoting the economic and social welfare and advancement of the peoples of the non-self-governing territories in the South Pacific region administered by them".

Name. Two names were discussed, "South Seas Commission" and "South Pacific Commission". The latter was considered to be more accurate geographically, more in keeping with the serious task of the Commission, and free of the unfortunate associations attributable to the term "South Seas" through its use by Japanese expansionists.

Territorial scope. Article II provides that "The territorial scope of the Commission shall comprise all those non-self-governing territories in the Pacific Ocean which are administered by the participating Governments and which lie wholly or in part south of the Equator and east from and including Netherlands New Guinea. The territorial scope of the Commission may be altered by agreement of all the participating Governments."

There were no differences of opinion on this question of territorial scope. Within the South Pacific region as defined above are some 15 island territories inhabited by approximately 2,000,000 people. Of these the United States has jurisdiction over American Samoa (population, 17,000) and a number of sparsely populated and uninhabited islands. Also located in this region is the independent Kingdom of Tonga.² The Conference adopted a resolution expressing its hope that the cooperation of the Kingdom of Tonga will be enlisted in appropriate activities of the South Pacific Commission.

Composition of the Commission. Article II provides in part that "The Commission shall consist of not more than twelve Commissioners. Each participating Government may appoint two Commissioners and shall designate one of them as its senior Commissioner."

² Great Britain exercises a certain measure of protection over the Kingdom of Tonga pursuant to a treaty of friendship and protection between the two Governments.

Committee I discussed proposals for having from one to three commissioners appointed by each government. It was felt that three would increase unduly the cost to governments of sending commissioners to meetings of the Commission and that one would not provide adequate representation. In this connection Committee I discussed proposals for specifying in the agreement that not more than one of the commissioners should be an administrator or governor of an island territory within the scope of the Commission, and that at least one of the commissioners should devote practically all of his time to the work of the Commission.

These proposals were opposed principally on two grounds. With respect to the first, it was argued that governors of the territories would contribute, as commissioners, to the practical orientation and fulfilment of the Commission's work, although it was recognized as being somewhat incongruous for the governors to be placed in the position of making recommendations to themselves. It was also pointed out that such a provision would place undue limitations upon the respective governments' power of appointment. The proposal for requiring the appointment of at least one full-time commissioner was opposed also on the ground that this requirement might, when viewed with present and probable future commitments for regional collaboration in this field, be difficult to fulfil from a personnel and financial standpoint.

No commitments on these points were written into the agreement itself, but as a compromise a resolution was drawn up and subsequently adopted expressing the hope of the Conference that ". . . each participating Government will designate as one of its Commissioners a person whose services to the fullest extent possible will be available for work and activities in connection with the Commission throughout the year". If the governments heed this resolution, at least six of the twelve commissioners will be persons whose services will be available at any time for the work of the Commission, and these will be persons who do not have major responsibilities in the territorial administrations of the region.

Powers and functions. Article IV states that: "The Commission shall be a consultative and advisory body to the participating Governments in matters affecting the economic and social development of the non-self-governing territories within the scope of the Commission and the welfare and

advancement of their peoples. To this end, the Commission shall have the following powers and functions:

"(a) to study, formulate and recommend measures for the development of, and where necessary the co-ordination of services affecting, the economic and social rights and welfare of the inhabitants of the territories within the scope of the Commission . . . ;

"(b) to provide for and facilitate research in technical, scientific, economic and social fields in the territories within the scope of the Commission and to ensure the maximum co-operation and co-ordination of the activities of research bodies;

"(c) to make recommendations for the co-ordination of local projects . . . which have regional significance and for the provision of technological assistance from a wider field not otherwise available to a territorial administration;

"(d) to provide technical assistance, advice and information (including statistical and other material) for the participating Governments;

"(e) to promote co-operation with non-participating Governments and with non-governmental organisations of a public or quasi-public character having common interests in the area, in matters within the competence of the Commission;

"(f) to address inquiries to the participating Governments on matters within its competence;

"(g) to make recommendations with regard to the establishment and activities of auxiliary and subsidiary bodies".

Other paragraphs of article IV provide that the Commission "may discharge such other functions as may be agreed upon by the participating Governments", and that it ". . . may make such administrative arrangements as may be necessary for the exercise of its powers and the discharge of its functions."

The above provisions were agreed upon without any significant differences of opinion. Attention is called to the fact that the Commission is not given the power to concern itself with political matters or questions of defense or security, an understanding reached by the participating governments prior to the Conference. In this regard the United States proposed that the Commission be empowered to study and make recommendations with respect to the "human rights" of inhabitants of territories within the scope of the Commission.

After much discussion it became clear that the term "human rights" could not be used without broadening the powers of the Commission to include matters primarily political in character. For this reason the term "economic and social rights" was preferred and was written into the agreement as stated in (a) above.

The Commission is also called upon to give early consideration to the economic and social projects set forth in a Conference resolution appended to the agreement. This resolution was drawn up in Committee V, which was composed largely of administrative and research officials of the non-self-governing territories in the South Pacific.

Meetings and decisions of the Commission. Article V provides that the Commission "shall hold two regular sessions in each year, and such further sessions as it may decide." Two thirds of all the senior commissioners shall constitute a quorum. With regard to voting procedure:

"The decisions of the Commission shall be taken in accordance with the following rules:

"(a) senior Commissioners only shall be entitled to vote;

"(b) procedural matters shall be decided by a majority of the senior Commissioners present and voting;

"(c) decisions on budgetary or financial matters which may involve a financial contribution by the participating Governments (other than a decision to adopt the annual administrative budget of the Commission), shall require the concurring votes of all the senior Commissioners;

"(d) decisions on all other matters (including a decision to adopt the annual administrative budget of the Commission) shall require the concurring votes of two-thirds of all the senior Commissioners."

If the senior commissioner is absent, the other commissioner or, in the absence of both, a person designated by the respective government shall exercise the functions of the senior commissioner. The Commission is also authorized to appoint committees and to promulgate rules of procedure governing its own operations and those of such auxiliary and subsidiary bodies and committees as it may establish, and of the secretariat. The official languages of the Commission and its auxiliary bodies shall include English and French. Annual reports of the Commission and its auxiliary bodies

are to be made to the participating governments and published.

The above arrangements were worked out in Committees I and VI with the complete endorsement of all the delegations. Alternative procedures for voting on financial matters were discussed at length. It was decided that the annual administrative budget should be adopted by a two-thirds vote of the Commission and that supplemental budgets for non-recurring expenses, such as special research projects, which would involve contributions from the participating governments would require the concurring votes of all the senior commissioners. The delegations agreed that the Commission should use the funds contributed by all the participating governments to finance activities and projects of general benefit. However, according to an interpretation approved by the Conference, the agreement does empower the Commission to render special services within its terms of reference to one or more of the participating governments so long as no cost to the Commission is involved.

Regarding the number of meetings of the Commission, one of the delegations suggested that the agreement should call for not less than one meeting a year, but, in view of the fact that no provision was being made in the agreement for full-time Commissioners, the delegates readily agreed that more frequent meetings were necessary.

Research Council. Committee III discussions on the Research Council demonstrated an active interest by the governments in the use of science as an aid to territorial administration. Every delegation enthusiastically supported the establishment of the Council and was anxious that it assume an important role in the work of the Commission.

Articles VI, VII, and VIII provide for the establishment, composition, and functions of the Research Council as a standing body auxiliary to the Commission. The Council shall be constituted as follows:

"The Commission shall appoint, as members of the Research Council, such persons distinguished in the fields of research within the competence of the Commission as it considers necessary for the discharge of the Council's functions.

"Among the members of the Council so appointed there shall be a small number of persons

highly qualified in the several fields of health, economic development and social development who shall devote their full time to the work of the Research Council.

"The Research Council shall elect a Chairman from its members."

The Commission shall appoint a full-time official to direct research and to supervise the execution of the Research Council's program. This official will be *ex officio* a member and deputy chairman of the Council and, "... subject to the directions of the Commission, shall be responsible for arranging and facilitating co-operative research, for arranging and carrying out research projects of a special nature, for collecting and disseminating information concerning research and for facilitating the exchange of experience among research workers of the area. He shall be responsible to the Secretary-General for all administrative matters connected with the work of the Research Council and of its Committees."

In all technical matters full-time members of the Council shall be under the deputy chairman; in all administrative matters they shall be responsible to the secretary general.

The advisory character of the Research Council is reflected (1) in the above arrangement for the direction of research by an official responsible primarily to the Commission, (2) in a specific provision that "recommendations of the Research Council in connection with research projects to be undertaken shall be first submitted to the Commission for approval", and (3) in the statement of the Council's functions as follows:

"(a) to maintain a continuous survey of research needs in the territories within the scope of the Commission and to make recommendations to the Commission on research to be undertaken;

"(b) to arrange, with the assistance of the Secretary-General, for the carrying out of the research studies approved by the Commission, using existing institutions where appropriate and feasible;

"(c) to co-ordinate the research activities of other bodies working within the field of the Commission's activities and, where possible, to avail itself of the assistance of such bodies;

"(d) to appoint technical standing research committees to consider problems in particular fields of research;

"(e) to appoint, with the approval of the Commission, *ad hoc* research committees to deal with special problems;

"(f) to make to each session of the Commission a report of its activities."

There was considerable discussion among the delegations as to the most effective way of constituting the Research Council, particularly as to: (1) whether any members of the Research Council should serve on a full-time basis, and if so, how many; (2) what should be the relationship of full-time members of the Council, including the deputy chairman, to the Council, the Commission, and the secretary general; and (3) whether the research staff should have its headquarters in the same place as the Commission secretariat.

The decisions finally reached on these questions represent a workable compromise of the views presented, one which it is believed will achieve objectivity in research and, at the same time, integration of research with the other work of the Commission.

The South Pacific Conference. The delegations were unanimously agreed that some means should be provided for associating the peoples of the South Pacific with the work of the Commission. In this regard Ambassador Butler stated early in the Conference that "this program [of the Commission] will be meaningful only if it is geared to meet the needs of the people as they see them. The island peoples must be brought into the program and made to feel a part of it. They must find in it a means of expressing their wishes and aspirations. They must have confidence that it is operating in their best interests".

Different views were expressed as to the best method of accomplishing this objective. One suggestion was that representatives of the territories be appointed as advisers to the commissioners at meetings of the Commission. This was based on the feeling that a conference of peoples in the South Pacific along the lines of the West Indian Conference was not feasible in view of the marked cultural differences of, for example, the Polynesians and Melanesians, and also because of the great distances involved. Another suggestion was that there should be sub-regional conferences.

Both of these suggestions were rejected on the grounds that the peoples would benefit greatly from association with one another, that the Com-

mission would profit by having the views of the peoples themselves as to their needs and ways of meeting them, and that air transportation made such regional conferences feasible.

One delegation urged that periodic conferences be held in which the principal delegates would be representatives of the local inhabitants. Another delegation suggested that official and non-official organizations as well as the inhabitants be permitted to send delegates to the Conference. A compromise was finally worked out wherein the principal delegates would be representatives of the local inhabitants, and official and non-official organizations might be included on the delegations as advisers. This arrangement accords with the "Resolution on Regional Conferences of Representatives of Non-Self-Governing Territories", adopted by the General Assembly on December 14, 1946.

Articles IX, X, XI, and XII provide for the establishment of a South Pacific Conference as an advisory body auxiliary to the Commission. Its function will be to make recommendations to the Commission on matters falling within the Commission's competence. The Conference will be convened within two years after the agreement comes into force and thereafter at intervals not exceeding three years. It will be held in one of the island territories to be decided by the Commission with due regard to the principle of rotation. Although the Commission will approve the agenda and rules of procedure for the conference, the delegates may make recommendations with respect thereto. One of the commissioners of the government in whose territory the Conference is held will serve as chairman. The secretary general will be responsible for the administrative arrangements of the Conference.

The Commission will decide which territories may send delegates to the Conference and the maximum number they may send. In general, there will be at least two delegates from each. "Delegates shall be selected in such a manner as to ensure the greatest possible measure of representation of the local inhabitants of the territory", and in accordance with the territory's constitutional procedure. The delegations for each territory may include as many advisers as the appointing authority considers necessary.

The Secretariat. The delegations were in complete accord as to the structure of the secretariat,

and the decisions reached on this subject are set forth in article XIII of the agreement.

The secretariat, which will serve the Commission and its auxiliary and subsidiary bodies, will be under the direction of a secretary general and deputy secretary general appointed by the Commission for a term of five years. These officers and the staff of the secretariat will be international officials appointed primarily for their technical qualifications and personal integrity, due consideration being given to the desirability of appointing local inhabitants and to obtaining equitable national and local representation.

The Conference adopted a resolution urging the participating governments "to permit officers in their own services to be made available to the staff of the Commission on secondment or loan."

Finance. The delegations also had little difficulty in agreeing on the financial provisions (art. XIV). By taking into account the national income, the prospective national interest in and benefit from the work of the Commission, and the administrative responsibilities in the South Pacific of the respective governments, the delegations agreed to apportion the expenses of the Commission and its auxiliary bodies as follows: Australia, 30 percent; France, 12½ percent; the Netherlands, 15 percent; New Zealand, 15 percent; the United Kingdom, 15 percent; and the United States, 12½ percent. Adjustments in these proportions may be made at any time by agreement of all the participating governments.

The Commission's fiscal year will be the calendar year. The Commission will adopt an annual budget for the administrative expenses of the Commission and its auxiliary bodies. It should be noted that the salaries and other expenses of the commissioners and their immediate staffs will be determined and paid by the governments appointing them.

Pending adoption by the Commission of its first budget, the governments will contribute their respective shares of £40,000 sterling to finance the expenses of the Commission. The Australian and New Zealand Governments, which have undertaken to make preliminary arrangements for the establishment of the Commission, may be reimbursed by the Commission up to £5,000 sterling for

expenses which they incur in this undertaking.³

Relations with other international bodies. One of the delegations urged that the article in the Caribbean Commission agreement on this point be adopted, thus providing for cooperation by the Commission with the United Nations and appropriate specialized agencies and calling upon the participating governments to undertake consultations with these bodies with a view to defining their future relationship with the Commission. Other delegations concurred in principle with this suggestion but desired to make it clear, as a matter of public information, that the Commission is not an organ of, or in organic relation with, the United Nations, nor is the establishment of such relation compulsory. With these clarifying changes the same language as that in the Caribbean agreement was adopted, and a new paragraph added authorizing the Commission to make recommendations as to the best manner of achieving cooperation with other international bodies (art. XV).

Headquarters. There was considerable difference of opinion as to where the permanent headquarters of the Commission should be located. Among the places suggested were Suva, Fiji Islands; Sydney, Australia; and Port Moresby, Papua. Most of the delegations readily agreed that the site should be in one of the non-self-governing territories in the South Pacific, and it became apparent as the discussion proceeded that the delegations were not prepared to select the island or territory in which the site should be located. Therefore, it was decided (art. XVI) that the permanent headquarters should be located within the territorial scope of the Commission; that the Commission may establish branch offices and otherwise provide for carrying out its work at such places as it deems best, either within or outside the region; that the Commission should select the site of its permanent headquarters within six months after the agreement comes into force; and that pending the establishment of its permanent headquarters the Commission would be located temporarily in Sydney, Australia.

Entry into force. The agreement will enter into force when the six governments have become parties to it. At the final plenary session of the

Conference, the heads of delegations signed the agreement subject to acceptance by their respective governments. So far as the United States is concerned, Executive approval and Congressional authorization will be necessary for this Government to participate fully in the work of the Commission.

Conclusion of Conference

The aims which guided the Conference and the spirit which animated its deliberations were summarized by the Deputy Prime Minister of New Zealand in his closing address as follows:

"We have met here for eight days for the purpose of delineating in words the road along which we think we should travel in order to enable the dependent peoples of the South Pacific to enjoy as their right the freedom which we ourselves enjoy—no more and no less—and to create the foundations of a system which will enable them to exercise their God-given right as progressive peoples, not in tutelage and not in patronage, to play their part in the building of a better world. We have also a duty, a right, and a privilege to work with them in this objective."

The Conference, its task accomplished, was adjourned by Dr. Evatt, who expressed the hope that early action on the agreement would be taken by the various governments so that the Commission could be constituted and set into operation in the near future.

It was generally felt that a workable scheme for intergovernmental cooperation in the South Pacific had been developed and that effective means for consulting the peoples to be served had been provided for. There was also recognition of the fact that the needs of the people which made this Conference necessary still exist; and, as stated by Ambassador Butler in his closing address, "it is to meet these needs that our Governments and the Commission will, in the future, be dedicated".

³The Delegations of the U.S., France, and the Netherlands stated that their Governments might not be in a position to authorize reimbursements for expenditures incurred prior to the time when the agreement comes into force.

THE INTERNATIONAL CHILDREN'S EMERGENCY FUND

by John J. Charnow

Children have been the most tragic victims of the wholesale destruction of modern war and its inevitable aftermath. Of all the problems confronting the United Nations, the acute needs of children in countries devastated by the war and the serious inadequacy of the facilities currently available to meet these needs has been least subject to debate. The article below discusses the creation of the International Children's Emergency Fund by the United Nations.

The establishment of the International Children's Emergency Fund last December by the United Nations General Assembly constitutes a highly significant development in the international social field. Structurally, it illustrates the flexibility of the Charter in allowing for the development of new organizational forms to meet emerging needs in the social field. Functionally, it establishes the role of the United Nations beyond that of information, research, and advisory services to what the Temporary Social Commission in its report last June called "practical help" in promoting solutions of international social problems.¹

In its report recommending the establishment of an International Children's Emergency Fund, the Third Committee of the General Assembly pointed out:

"The children of Europe and China were not only deprived of food for several cruel years, but lived in a constant state of terror, witnesses of the massacre of civilians and of the horrors of scientific warfare, and exposed to the progressive lowering of standards of social conduct. The

urgent problem facing the United Nations is how to ensure the survival of these children. Millions of adults have emerged from the war less fit to meet the grave problems of the day than in 1939. The hope of the world rests in the coming generations. . . . Undernourishment and nutritional and social diseases are rampant among children and adolescents. Infant mortality has doubled or trebled in many areas. Millions of orphans are being cared for under the most deplorable conditions; crippled children in untold thousands are left with the scantiest care or no care at all."²

Steps Leading to the Creation of the Fund

The proposal for the establishment of an International Children's Emergency Fund originated at the Geneva session of the UNRRA Council last August. The impending liquidation of UNRRA operations, of which child feeding constituted an important part, led to the suggestion that the residual assets of UNRRA be utilized for the benefit of children and adolescents, and that to these assets be added gifts from governments, voluntary agencies, individuals, and other sources. Initiative in developing the proposal was taken by Dr. Ludwik Rajchman of Poland, a physician who for 18 years had been Director of the health organization of the League of Nations.

The proposal received unanimous support in the UNRRA Council. The United States representative, C. Tyler Wood, expressed the general sentiment of the Council when he stated:

". . . this proposal is very much in line with what we have all stood for here, namely, that this is not a liquidation of UNRRA, but the chang-

¹ *Journal of the Economic and Social Council*, no. 25, June 13, 1946, p. 364.

² *Establishment of an International Children's Emergency Fund, Report of the Third Committee*, doc. A/230, Dec. 9, 1946, pp. 3 and 4.

The Senate Committee on Foreign Relations made public on Feb. 5, 1947 a list of 27 items submitted by the Department of State for Senate consideration. Of the 10 urgent items listed in order of priority, "legislation for Children's Fund from UNRRA liquidation" was listed fifth.

ing of some of its functions, a casting of the mantle, let us say, of UNRRA, or pieces of that mantle, upon others who can carry on and develop, as needs and conditions indicate and require, those fine things which UNRRA began. UNRRA has helped and aided the children of the world to an inestimable degree, and it is a fine thing to consider here the drawing up of plans or a recommendation to the United Nations and its various agencies that plans be drawn up designed to carry on that work.”³

The UNRRA Council established a Standing Committee to prepare recommendations, in agreement with the Economic and Social Council and after consultation with appropriate specialized agencies of the United Nations and voluntary agencies.

The UNRRA Council action was brought to the attention of the Economic and Social Council at its third session in September 1946 by Director General La Guardia. The Economic and Social Council unanimously passed a resolution recommending that the General Assembly create an International Children's Emergency Fund subject to the control of the Economic and Social Council. The resolution also provided that the Secretary-General prepare for the General Assembly in consultation with the President of the Economic and Social Council, the Director General of UNRRA, and the Standing Committee of UNRRA a draft resolution creating the fund.⁴

Much of the work in preparing the draft resolution was delegated to a committee composed of representatives of Brazil, China, France, Poland, the Union of Soviet Socialist Republics, the United Kingdom, and the United States. When the General Assembly met in October 1946 for the second part of its first session, the Secretary-General's draft resolution creating the International Children's Emergency Fund was referred to the Third Committee (Social, Humanitarian and Cultural Questions). That resolution was considered in some detail in a subcommittee where the chief issues were (1) eligibility of countries for the benefits of the Fund, (2) membership on the Executive Board, and (3) relationship of the U. N. Secretariat to the staff and facilities needed by the Fund.

Following unanimous approval in the Third Committee, the resolution⁵ was approved by the

General Assembly on December 11, 1946 under authority of article 55 of the Charter, which provides that the United Nations “With a view to the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations among nations” shall promote “solutions of international economic, social, health, and related problems”. From the point of view of the flexibility of the Charter, it is interesting to note that the International Children's Emergency Fund constitutes the first instance of the creation of a grant-in-aid program for material assistance and an organizational form in the social field not specifically envisaged in the Charter.

Purpose and General Scope of Activities

The International Children's Emergency Fund is based upon the fundamental concept that primary responsibility for child-welfare programs lies with the national governments. Within each country the responsibility for child welfare rests with the appropriate governmental authorities, voluntary agencies, and individual citizens. The purpose of the International Children's Emergency Fund is conceived of as being essentially one of providing sufficient supplementary assistance, where needed, to make national programs of child welfare a reality.

Assistance from the Fund may be used for extremely broad purposes by governments. The resolution states only that the resources of the Fund are to be used “for the benefit” of children and adolescents and “to assist in their rehabilitation” and “for child health purposes generally”.

Despite the broad purposes possible under the Fund, discussions at the UNRRA Council, in the General Assembly, and in the Executive Board of the Fund make clear that certain child-welfare problems, because of their urgency, will have immediate call upon the resources of the Fund. The most urgent problem is that of securing for children at least the minimum nutritional supplement necessary to stave off the worst ravages of malnutrition. The Third Committee in its report to the General Assembly pointed out:

³ UNRRA Council V, doc. 183, Ad Hoc/P 49, Aug. 16, 1946, pp. 9-10.

⁴ Resolution on the International Children's Emergency Fund, doc. E/235, Oct. 9, 1946.

⁵ *Journal of the General Assembly*, no. 75, supp. A-64. Add. 1, p. 852-855.

"Tragically enough, the home production from which the bulk of the food must come is manifestly insufficient. . . . A desirable objective for each government is to ensure one square meal a day to children that can be easily reached; i.e., those in schools and institutions and the children of families receiving social security assistance. A meal of 700 calories a day would cost \$20.00 per year per child. As indicated above, much of the food would come from home production, the proportion of the \$20.00 that must be imported from overseas sources varying, from country to country, from one-fifth, to one-third, one-half, or even more. Unless the overseas supplies are secured, it is idle to expect the rising generation to build on a sound foundation the world of tomorrow."⁶

In addition to food, cod-liver oil and medical supplies are greatly needed. Lack of clothing and shoes in some countries constitutes almost as serious a threat to child health as lack of food.

The second urgent problem which has been emphasized is the necessity of aiding in the reestablishment of children's institutions and services destroyed by the war as a matter of prime importance in the rehabilitation of homeless and suffering children.

A third urgent problem which received emphasis is the need for facilities to train the personnel necessary in implementing national programs. Encouragement of the training of personnel for child-health and child-welfare work is an essential part of a children's program in view of the serious personnel shortages resulting from the war. It is hoped that assistance for training fellowships in child health and welfare can be obtained from the Interim Commission of the World Health Organization and from the United Nations Secretariat under the resolution of the General Assembly relating to the United Nations' assumption of certain advisory social-welfare services performed by UNRRA.

The Economic and Social Council resolution limited the scope of the Fund to children and adolescents of countries which were victims of aggression. As a result of United States initiative

in the Third Committee, the scope of the Fund was broadened to include children of countries receiving UNRRA aid and children in all countries "for child health purposes generally", with high priority to be given to children of countries victims of aggression.⁷

Finances

The effective operation of the Fund will be dependent upon the financial resources which will be available. The Executive Board of the Fund has decided not to begin operations before sufficient resources are available to carry on worthwhile projects.

In reviewing the possibilities for financing, from contributions by UNRRA, voluntary agencies, individuals, and governments, the Executive Board of the Fund has reached the conclusion, with reservations expressed by certain members, that the major part of the resources of the Fund must come at first from contributions made directly by governments. The Executive Board has expressed the hope that all nations will contribute, in accordance with their circumstances, and it is expected that nations receiving assistance from the Fund will furnish local supplies and services which they will be able to make available to the Fund.

Voluntary relief agencies, with their own established programs, are not likely to prove a large source of contribution to the Fund. It is hoped that voluntary agencies in each country will be willing to assume such responsibilities for specific parts of the program as may be assigned to them under a coordinated plan.

Committees of the Executive Board of the Fund and the staff of the Secretary-General are exploring other special means of raising funds. It is the policy of the Fund that all fund-raising activities will be planned and carried out by appropriate organizations in each country, with the consent of the government concerned, and will not be undertaken directly by the Fund. Thorough and long-range planning, with the full cooperation of existing voluntary agencies, is recommended by the Fund before appeals are launched within any country, in order not to disturb the present and future work of various voluntary relief agencies.

The Fund now has \$550,000 made available by UNRRA from the Emergency Food Collection, to which voluntary agencies and private individuals had contributed in the summer of 1946. These

⁶ *Establishment of an International Children's Emergency Fund, Report of the Third Committee*, doc. A/230, Dec. 9, 1946, p. 4.

⁷ *Journal of the General Assembly*, no. 75, supp. A-64. Add. 1, p. 852.

funds are available only for food, and no part of them can be used for administration. In addition, arrangements have been made with UNRRA for the loan of 12 to 20 members of its staff to work with the Fund until June 30, 1947. UNRRA is also prepared to provide other services and facilities, including office space.

It is not possible at the present time to estimate the amount of money, if any, which will be available from UNRRA assets after UNRRA operations are terminated. Such funds probably will not be available before the end of 1947.

The Fund has estimated that to bring the standards for children of war-affected countries to a pre-war level in food and to provide clothing, shoes, and other supplies would cost a very large sum, perhaps several billion dollars. Estimates indicate that at least 30,000,000 children are in need in European countries and an equal or greater number in China and the Philippines. The Fund has reached the conclusion, therefore, that it can cover only a part of the need and has set a goal of \$450,000,000.

Of this amount, \$400,000,000 will be needed for supplementary feeding of 700 calories a day to infants, children, and expectant and nursing mothers. At an estimated average cost of 6¢ a person a day, or \$20 a year, approximately 20 million persons could be fed. The food to be provided from overseas would be mainly the kind of greatest importance to children, such as milk, cod-liver oil, and certain high-protein foods not available in sufficient quantities from the basic ration.

It is estimated that approximately one third of the children reached will need clothing, estimated at \$6 a year for each child to supply a pair of shoes, warm stockings, and an overcoat or warm jersey. Medical supplies and certain other items would also be required. The total cost for clothing, shoes, and other items is estimated at \$50,000,000.

It is hoped that of the total estimated budget \$200,000,000 will be forthcoming from governments of recipient countries in the form of local foodstuffs, transport, warehousing, and other services. It is hoped that \$200,000,000 will be forthcoming from donor governments and \$50,000,000 from voluntary contributions.

Relationship to Basic Relief Programs

The Fund has recognized that supplying sufficient assistance to enable countries to provide a basic ration of 2,300 calories for all persons (as

estimated in the report of the United Nations Special Technical Committee on Relief Needs After Termination of UNRRA)⁸ is of vital importance. The Fund does not intend to duplicate any assistance provided under bilateral relief programs. Its operations, as a matter of fact, would be greatly handicapped if food imports sufficient to maintain a basic ration were not available.

Administration

The Executive Director of the Fund, Maurice Pate, was appointed on January 8, 1947 by the Secretary-General of the United Nations after consultation with the Executive Board of the Fund. Mr. Pate, an American businessman, was wartime director of the Prisoners of War Relief Section of the American Red Cross and accompanied Herbert Hoover on his missions to Europe after both World Wars.

Mr. Pate will administer the Fund under policies, including the determination of programs and the allocation of funds, established by a 25-nation Executive Board. The composition of the Executive Board, which the United States originally had suggested be limited to the 18 countries members of the Social Commission of the Economic and Social Council, was expanded by the General Assembly resolution to include the four countries of the UNRRA Standing Committee on Children which are not members of the Social Commission and, in addition, Argentina, the Byelorussian Soviet Socialist Republic, and Sweden.⁹ On recommendation of the Board, the Economic and Social Council may designate other governments as members of the Board. Membership may be changed by the General Assembly, on recommendation of the Economic and Social Council, at any time after the first three years of the Fund's existence. As occasions arise the Board may invite representatives of specialized agencies for consultation. The Chairman of the Board, elected unanimously, is Dr. Rajchman of Poland. Miss Kath-

⁸ A/Conf/Relief/1, Jan. 24, 1947, p. 8.

⁹ The nations represented on the Executive Board are: Argentina, Australia, Brazil, Byelorussian Soviet Socialist Republic, Canada, China, Colombia, Czechoslovakia, Denmark, Ecuador, France, Greece, Iraq, Netherlands, New Zealand, Norway, Peru, Poland, Sweden, Ukrainian Soviet Socialist Republic, Union of South Africa, Union of Soviet Socialist Republics, United Kingdom, United States, and Yugoslavia. The addition of Switzerland has recently been recommended to the Economic and Social Council (*ibid.*, p. 853).

arine F. Lenroot, Chief of the U.S. Children's Bureau, Federal Security Agency, was designated as United States representative on the Board in view of her outstanding ability and distinguished international reputation in the field of social welfare.

A program committee of the Executive Board has been established composed of the Governments of Brazil, Canada, China, France, Norway, Poland, the United Kingdom, the United States, and the Union of Soviet Socialist Republics. Among its functions, the Committee has the task of reviewing the needs of governments which may be applicants for assistance from the Fund, and of making reports to the Board as to the programs which will be required.

Although established by the General Assembly and having its activities subject to review by the Assembly, the International Children's Emergency Fund is more closely linked to the Economic and Social Council than to the General Assembly. The resolution provides that the policies established by the Board must be in accordance with such principles as may be laid down by the Economic and Social Council and its Social Commission.

At its recently concluded first session, the Social Commission developed certain principles of operation for the Fund which it recommended that the Economic and Social Council adopt. These relate to priorities as to types of assistance to be given by the Fund; the development of emergency measures in such a manner as to strengthen the permanent child-health and child-welfare programs; the relations of the Fund with other relief programs and with other United Nations activities; the relations of the Fund with governments; the provision of a technical staff to assure effective operation of the Fund; the information to be required from governments submitting proposals; and the submission of reports by the Fund to the Economic and Social Council.¹⁰ These suggested principles will undoubtedly be considered by the Economic and Social Council at its fourth session currently in progress.

The General Assembly resolution establishing the Fund provides that staff and facilities required for the administration of the Fund shall be provided by the Secretary-General without charge

so long as these can be provided from the established services of the Secretariat and within the limits of the United Nations budget. If additional funds are necessary, money for such purposes shall be provided by the Fund. As has been noted above, the Fund is also authorized to utilize staff and facilities from UNRRA. The effect of these provisions is to establish the operations of the Fund within the framework of the United Nations, with the Executive Director functioning within the United Nations on administrative matters but being responsible to the Executive Board on policy questions.

The Board of the Fund contemplates inviting representatives of specialized agencies for consultation and utilizing the staff and technical assistance of the specialized agencies, particularly the World Health Organization, to the maximum extent feasible.

Headquarters of the Fund have been established at Lake Success; an office is also maintained in Washington.

Safeguards and Requirements

Proposals from governments must give assurances that provision will be made for equitable and efficient distribution of assistance on the basis of need, without discrimination because of race, creed, nationality status, or political belief, and that reports will be made for such periods and contain such information as the Fund may require. It is contemplated by the Fund that the governments will submit evidence of need, including information on production and import programs, deficits, assistance available from foreign sources, the state of health, nutrition, and welfare of the children, the channels for distribution of supplies, the availability of institutions and agencies for children, both official and voluntary, and the provisions for the coordination of the services of all agencies utilized in the program. With the assistance of its technical personnel and its program committee, the Executive Board will screen, analyze, and pass on requests for assistance. If requests exceed the amounts available, priorities will necessarily have to be established by the Board on the basis of the greatest need. Representatives of the Fund will probably be assigned to each recipient country to consult with the government, to act as liaison with the headquarters staff of the Fund, to assure, in

(Continued on page 492)

¹⁰ *Social Commission, General Report*, doc. E/260, Feb. 11, 1947, pp. 12-13.

DRAFT MEMORANDUM OF AGREEMENT PREPARED FOR INTERNATIONAL WHEAT CONFERENCE

by Francis A. Linville

The International Wheat Council released on February 19 a draft memorandum on an international wheat agreement and submitted it to interested governments. It will serve as the basis of discussion at an International Wheat Conference which has been called by the Government of the United Kingdom to meet in London on March 18, 1947. The article below discusses the principles embodied in that draft memorandum.

Maladjustments in the world's wheat economy have long been of concern. At times supplies have been inadequate and consumers have suffered. At other times—and more often during the last few decades—there have been burdensome surpluses, and producers have suffered serious hardships. Because of the large movements of wheat in international trade, difficulties in one country tend to aggravate those in others. Consequently an international commodity agreement has often been suggested as a device to ameliorate these conditions. It has been said that such an agreement could, in particular, bring about greater stability of prices and supplies at desirable levels and that each exporting country could be assured an equitable share of an enlarged world market.

The first international wheat agreement was concluded in 1933, but it soon proved inoperative. Drafting of a new wheat agreement was again the subject of international discussions in 1941–42. A draft convention was drawn up and a memorandum of agreement was signed in 1942 by the United States, the United Kingdom, Canada, Australia, and Argentina. This memorandum was intended to serve as a temporary measure until a full-fledged wheat agreement could be concluded. Last summer the International Wheat Council, which had been established under the memorandum of agreement, was expanded to include 13 countries with

an important interest in the international wheat trade, and another effort was begun to work out the basis of a wheat agreement. After lengthy consideration of the problem, the Council concluded that the understanding it had reached was sufficient to justify the calling of an international wheat conference at an early date.¹ As an aid to interested governments in preparing for the forthcoming discussions in London and to assist the conference in its work, an annotated agenda has been prepared in the form of a draft international wheat agreement.² This draft is not binding on the governments concerned; the United States would participate in such an agreement only after approval by the Congress.

The Council has endeavored to embody in the draft memorandum those principles for commodity agreements recommended by the first session of the Preparatory Committee of the United Nations Conference on Trade and Employment held in London last fall, as well as relevant recommendations of the Preparatory Committee of the Food and Agriculture Organization, which concluded its discussions in January 1947.

¹ BULLETIN of Feb. 9, 1947, p. 250.

² Invitations to the Conference have been sent to countries which are members of the United Nations, to such other countries as are members of the Food and Agriculture Organization, and to those two organizations themselves.

Objectives

The objectives of the agreement as stated in the draft are as follows: (1) to promote stability of wheat prices at levels fair to both consumers and producers; (2) to assure adequate supplies at all times, in part by establishing wheat reserves through national holdings to be available in lean years; (3) to avoid the accumulation of burdensome surpluses; (4) to provide security for efficient producers and encourage the use of areas unsuited to wheat production for more suitable products; (5) to increase opportunities for satisfying world requirements from those sources which can supply them most effectively; and (6) to promote increased wheat consumption.

Membership

The draft agreement provides that any country having a substantial interest in international trade in wheat might become an initial signatory of the agreement and that other countries might accede to the agreement on conditions agreed with the Council.

Effective Date

The agreement would come into force on August 1, 1947 if the four major exporting countries, together with importing countries (including the United Kingdom) having imports totaling 400 million bushels, had joined, or, alternatively, if any three of the major exporters and six importers (including the United Kingdom) with imports sufficient to insure satisfactory operation of the agreement had joined.

Duration and Review

The agreement would remain in force for four or five years. After two and a half years the Council would examine the desirability of modifying the agreement. Amendments could be approved by vote of the Council. Six months before its termination date the desirability of extending the agreement would be considered by the Council.

Withdrawal

A country might withdraw from the agreement as a result of the outbreak of hostilities and possibly if the number of countries adhering to the agreement was inadequate.

Prices

Three alternatives regarding price are suggested for consideration by the Conference (all prices are

in Canadian dollars per bushel for no. 1 Manitoba Northern wheat in store at Fort William - Port Arthur or Vancouver) :

Proposal A. \$1.25 to \$1.55

Proposal B. \$1.25 to \$1.55 for three years and \$1.00 to \$1.55 for the remainder of the period of the agreement

Proposal C. \$1.25 to \$1.80 for three years, and \$1.00 to \$1.25 for the remainder of the period

Price equivalents for the major exporters would be determined by the Conference and adjusted whenever necessary by the Executive Committee to keep them in proper relation with the basic prices. It is estimated that at present the \$1.25 to \$1.55 range mentioned would result in the following prices, United States currency :

No. 2 Hard Winter wheat in store at Kansas City, \$1.16 to \$1.46

No. 1 Heavy Dark Northern Spring wheat at Duluth, \$1.25 to \$1.55

Stocks

Participating countries would agree to keep their crop-year-end stocks within maximum and minimum ranges. When an exporting country reached its maximum stock, importing countries could be called upon to accumulate stocks. Exceptions could be made in the case of importing countries suffering from foreign-exchange difficulties. Those stocks would have to be held by the importers until prices rose to an agreed percentage of the ceiling level. Stocks could fall below the agreed minima when additional wheat was badly needed for consumption.

Export Programs

Under certain conditions, after estimates had been made of total import demand for the year, annual export programs would be established for exporting countries. Minimum export allowances for the four major exporters of up to 500 million bushels (40 percent of this amount for Canada, 25 percent for Argentina, 19 percent for Australia, and 16 percent for the United States) and such amounts as might be agreed upon for other signatory exporters would have the first claim on the trade in wheat. In determining the distribution among exporters of any additional quantities of wheat which the world market would absorb, the Council would be guided by all rele-

vant considerations. These would include (1) the principle that importing countries should get an equitable share of the market, (2) opportunities of supplying requirements from most efficient sources, (3) stock position of signatory exporters, and (4) foreign-exchange position of importers.

In time of scarcity, export programs could be used to secure equitable distribution among signatory importing countries.

Basic Import Requirements

Basic import requirements would be established for each member importing country. Each would agree to purchase at least such a quantity from member exporters. Unless the Council should decide otherwise, these importing countries would have first refusal on all wheat offered for export by member countries.

Production

Production should be controlled so that crop-year-end stocks would be within the agreed range. If the stocks of any country should exceed the maximum figure, that country would be expected to dispose of the surplus internally or make it available for sale at such special prices and on such other conditions as might be approved by the Council.

Importing countries would agree (1) to import agreed minimum quantities, (2) to limit prices paid for their home-grown wheat, or (3) to limit their domestic production. This procedure would assure exporting countries of larger markets and would help to limit production in high-cost areas.

Sales at Special Prices

Special price sales to dispose of excess stocks might be made to governments which have undertaken to use such wheat for nutritional programs approved by the Food and Agriculture Organiza-

tion. The cost of making wheat available at special prices would be borne by each exporting country on its own sales. This cost would not be recovered by transferring any of the burden to the price of commercial exports. Importing countries receiving wheat at special prices would agree (1) not to export wheat, (2) to permit the sale of such wheat only to the beneficiaries of the nutritional programs, (3) to pass on the full benefit of the lower price to these beneficiaries, and (4) to maintain their basic imports at commercial prices.

Organizational Machinery

The agreement would be administered by a council. Each signatory country would have one member. The Food and Agriculture Organization and the proposed International Trade Organization would have non-voting membership. The total votes of exporting countries would equal those of importing countries. The Council would cooperate with whatever organization may be established by the United Nations to coordinate the work of the International Wheat Council and other commodity councils.

An Executive Committee would be established by the Council to adjust export programs and equivalents of basic prices and to carry out other functions delegated to it by the Council.

An Advisory Committee has also been suggested. It would advise the Council on such matters as prices, stocks, export programs, and import requirements.

It will be noted that the draft prepared by the International Wheat Council proposes alternative solutions of certain problems and that some other issues are not dealt with by the draft.

These matters and, in fact, the whole subject of a wheat agreement are now under careful study by the Government of the United States in preparation for the forthcoming conference in London.

The Goal of Collective Security

BY WARREN R. AUSTIN ¹

The preservation of peace cannot be assured by the United States alone. The will and strength of all the other members of the United Nations—especially the greatest nations—are also necessary.

Nevertheless, because of the great power and influence of the United States, it is true that we can do more than any other nation to decide the outcome.

The central fact, of which Americans must never lose sight, is this: The United States, with half the productive power of the world, has decisive power either to create the conditions of permanent peace or to permit the balance to be tipped in favor of war. What we do or fail to do determines to a large extent whether other nations move rapidly toward political and economic stability and democratic achievement or flounder in the disaster and despair that lead to fanaticism and war.

What, then, are some of the policies the United States must pursue in relation to the United Nations in order to attain the goal of collective security?

First: We must make clear that we are ready at all times to support the law of the Charter—by force if necessary—in accordance with our obligations.

Second: We must use to the full, and with patience, all the processes of conciliation and organized cooperation established by the United

Nations. We must seek constantly for better understanding with all our Allies. Whatever others do, we must seek always to avoid hysteria and recrimination. We do not need to fear anybody. We must seek by our policies to remove fear in others and replace it by confidence.

Third: We must maintain our own economic strength and help restore economic strength to those parts of the world left weakened by the war and therefore an easy prey to some future aggressor. This means a businesslike investment of American capital, a firm adherence to the policy of reducing barriers to an expanding world trade, and, for this year at least, continued direct relief to some countries. An enlightened economic foreign policy will increase prosperity in the United States as much as in any other country. Collective security can *never* be realized without such a policy on our part.

Fourth: We must maintain our military establishment, not for purposes of domination but in order to be able to back up our commitments in support of collective security under the United Nations. This means that we must not engage in any unilateral disarmament by hasty and ill-considered reductions in our armed forces or in our budget for national defense. It also means establishment of a universal military training system that would provide the necessary reserves of skilled manpower trained in the complicated techniques of modern warfare. If we were ever called upon to join in collective action against a major aggressor, we would not have the two years of grace we were given in the last war. We should

¹ Excerpts from an address delivered before the Overseas Press Club, New York, N. Y., on Mar. 4, 1947, and released to the press by the U.S. delegation to the United Nations on the same date. Mr. Austin is U.S. Representative at the seat of the United Nations.

have to act with decisive force at once and with men already trained. Peacetime universal military training in the United States is not in conflict with the ultimate goal of world disarmament. Nor is the strategic trusteeship proposed by the United States for the former Japanese Mandated Islands in conflict with the goal of collective security. On the contrary, at the present stage of the development of the United Nations both would contribute to progress toward these goals because both would add to the strength the United States can contribute to collective security and collective control of armaments and armed forces.

Fifth: We must stand firm in support of an effective and enforceable system of international control of atomic energy and of other major weapons adaptable to mass destruction. We must keep trying with patience and firmness to reach agreement with the Soviet Union on this matter. I believe that sooner or later we will reach agreement. It is just as much in the vital interest of the Soviet Union as it is of ourselves to establish a system of control that would fully safeguard complying states from the hazards of violations and evasions. Such a system would require greater delegations of national sovereignty to international authority than either of our nations has previously been willing to give. But without such a system neither one of us would in the long run be able to safeguard our independence or our respective ways of life from the destructiveness of another war.

Sixth: We must apply comparable principles of effective international control to the so-called "conventional" armaments and armed forces so that they too can be reduced in such a way as to safeguard all states against violations and evasions.

Seventh: We must press for completion of the special agreements called for by the Charter that would provide the Security Council with peace forces to enforce its decisions.

Eighth: We must lend our full support to the development and application of international law, particularly the laws against war which have been for the first time enforced against individuals by the Nürnberg and Far Eastern tribunals. The increasing application of international law di-

rectly to individuals is of importance to the prevalence of peace.

The problem of building collective security has two inseparable parts: We have to take every measure that lies within our power to remove the fundamental causes of war and to establish conditions of mutual understanding and confidence and economic well-being. Simultaneously we must maintain a suitable military posture to support collective action under the Charter.

At the present time special hazards to peace call for special effort toward collective security.

Looking forward to the fulfilment of our mission in the United Nations, we are determined to maintain American military and economic strength adequate to meet all our needs and obligations.

Confirmations to the United Nations

On March 5, 1947 the Senate confirmed the nomination of Warren R. Austin to be the Representative of the United States of America on the United Nations Commission for Conventional Armaments.

Appointments to U.N.

The Acting Secretary of State announced on March 5 the following appointments:

Frederick H. Osborn as deputy to the United States Representative on the United Nations Atomic Energy Commission. In this capacity Mr. Osborn will assist Warren R. Austin in carrying out his responsibilities as the United States Representative on the Commission.

John C. Ross as Deputy to the United States Representative at the seat of the United Nations. In this capacity Mr. Ross will assist Warren R. Austin in carrying out his responsibilities as the United States Representative.

Dean Rusk as Director of the Office of Special Political Affairs, the branch of the Department of State which deals with United States participation in the United Nations.

Proposal by the U.S. Government for a United Nations Scientific Conference on Resource Conservation and Utilization ¹

NOTE BY THE SECRETARY-GENERAL

1. The provisional agenda of the Council (E/256) contains an item, held over from the third session, relating to the proposal from the United States of America that a scientific conference be held in that country to consider the conservation and effective utilization of natural resources.

2. The conference was proposed in a letter from the United States representative to the Acting President of the Council dated 14 September 1946 (E/139).² It was accompanied by a draft resolution recognizing the war's drain on natural resources, their importance to the reconstruction of devastated areas and the need for continuous development of the techniques of resource conservation and utilization, and proposing the establishment of a Preparatory Committee to prepare and carry through the conference. A letter to the United States expressing his hopes for the approval of the proposed conference by the Council was also appended, together with a tentative programme prepared by the departments of the United States Government concerned with resources.

3. The Council decided to retain the item on the Agenda but to postpone decision on the proposal until the fourth session of the Council, so that the interim period could be used for consultations among the member governments, specialized agencies concerned and the Secretariat.

4. The Secretary-General on 5 December 1946, sent to all Governments of the United Nations and to the specialized agencies concerned a letter calling their attention to the proposed scientific conference on resource conservation and utilization, and offering his services to assemble any comments they cared to make. (Annex I.)³

5. As of 5 February 1947, the following seventeen Governments and also the Food and Agriculture Organization and the International Bank for Reconstruction and Development had acknowledged receipt of the Secretary-General's letter:

Afghanistan	Luxembourg
Australia	Mexico
Canada	New Zealand
China	Norway
Colombia	Philippines
Dominican Republic	United Kingdom
Ecuador	United States
El Salvador	Venezuela
India	

6. The Governments of India, China, Norway and Australia, in addition to acknowledging the letter, also indicated their support of the United States proposal to hold the conference. The Government of Australia agreed that a United Nations Conference of the kind proposed by the Government of the United States of America be convened and made several suggestions related to organization and scope of such a conference. The full text of the Australian letter is attached as Annex II.

7. The Government of Canada in its letter to the Secretary-General expressing its preliminary views on the United States proposal, stated that:

" . . . the Canadian Government is unable to give its full support to the suggestion for a conference of this nature. However, provided the conference was held with the definite intention that no explicit programme of government action be sought, it might be a useful means of stimulating conservation efforts in many fields and in many different countries."

The full text of the letter is attached as Annex III.

8. The Government of the United Kingdom informed the Secretary-General that:

" . . . in view of the heavy programme of international conferences arranged for the current year,

¹ Economic and Social Council doc. E/279, Feb. 25, 1947.

² BULLETIN of Oct. 6, 1946, p. 623.

³ Annexes I, II, and III to this document are not printed.

His Majesty's Government in the United Kingdom would suggest that the consideration of the possibility of holding such a conference be deferred until next year."

9. The International Bank stated it would welcome the opportunity to attend such a conference. The Food and Agriculture Organization, besides expressing its deep interest in the proposal and its readiness to co-operate, referred to its ex-

perience in the matter of holding such conferences, observing that in order to overcome unwieldiness, it has been found desirable by the Food and Agriculture Organization to call meetings on separate subjects or small groups of allied subjects, and, on each of these, to hold preparatory meetings on specific aspects before the whole subject is examined at a world conference.

ADDENDUM TO PROPOSAL BY THE U. S. GOVERNMENT FOR A U. N. SCIENTIFIC CONFERENCE ON RESOURCE CONSERVATION AND UTILIZATION¹

Note by the Secretary-General

Since document E/279 was prepared, the Secretary-General has received from the Government of the United States an amendment to its proposal for an international resource conference (E/139) made at the third session of the Council in September 1946. The communication from the United States is attached as Annex IV to document E/279.

Annex IV

A letter from the Deputy United States Representative on the Economic and Social Council dated 20 February 1947, addressed to the Secretary-General of the United Nations concerning the United States proposal for a United Nations scientific conference on resource conservation and utilization

The Deputy United States Representative on the Economic and Social Council presents his compliments to the Secretary-General of the United Nations and has the honour to refer to his note of 5 December 1946, inviting written observations from Member Governments and Specialized Agencies regarding the proposal by the United States Government for a Conference on Resource Conservation and Utilization.

The Deputy United States Representative has the honour to advise that the Government of the United States is of the view (which it expressed in proposing that such a conference be called by the Economic and Social Council) that the Conference should be held preferably during the second half of 1947; nevertheless, if other general considerations make more appropriate the scheduling of the conference early in 1948, the United States Gov-

ernment would not object to such a postponement.

The Government of the United States wishes to amend in two respects the agenda which it submitted for the proposed conference, as follows:

1. Delete from Part III, Problems of Energy Resources, the item "major economic uses of atomic energy, by areas, based on varying assumption of production cost". The consideration of peacetime as well as military applications of atomic energy is assigned to the Atomic Energy Commission. Under these circumstances, the item should be eliminated from the agenda of the proposed conference.

2. Add to Part I, the Problems of Renewable Resources, the items relating to irrigation problems set forth in the attached list. These items are closely connected with the subject of resource conservation, and their inclusion in the agenda of the proposed conference would obviate the need of a separate conference on irrigation matters.

Suggested Agenda on Irrigation

1. Stabilization of basic parts of national economies through irrigation and reclamation.
2. Increased production of crops, livestock, and livestock products through irrigation applied to arid, semi-arid, and semi-humid lands.
3. Irrigation as a means for promoting conservation.
4. Scientific and engineering techniques as applied to irrigation and reclamation.

¹ Economic and Social Council doc. E/279/Add. 1, Feb. 28, 1947.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Calendar of Meetings¹

In Session as of March 9, 1947		1946
Far Eastern Commission	Washington	Feb. 26
United Nations:		
Security Council	Lake Success	Mar. 25
Military Staff Committee	Lake Success	Mar. 25
Commission on Atomic Energy	Lake Success	June 14
Telecommunications Advisory Committee	Lake Success	Nov. 10
Economic and Social Council (ECOSOC):		1947
Subcommission on Economic Reconstruction of Devastated Areas: Working Group for Asia and the Far East.	Lake Success	Feb. 14-Mar. 7
Fourth Session	Lake Success	Feb. 28
German External Property Negotiations (Safehaven):		1946
With Portugal	Lisbon	Sept. 3
With Spain	Madrid	Nov. 12
Inter-Allied Trade Board for Japan	Washington	Oct. 24
PICAO:		1947
Interim Council	Montreal	Jan. 7
Air Transport Committee: Sixth Session	Montreal	Jan. 13
Airworthiness Division	Montreal	Feb. 20
Airline Operating Practices Division	Montreal	Feb. 25
Inter-Allied Reparation Agency (IARA): Meetings on Conflicting Custodial Claims.	Brussels	Jan. 29
International Court of Justice	The Hague	Feb. 10
FAO Executive Committee	Rome	Mar. 3-8
ILO Preparatory Meeting of Statistical Experts	Montreal	Mar. 4-10
Scheduled for March-May 1947		
Council of Foreign Ministers	Moscow	Mar. 10
ILO:		
Committee on Social Policy in Dependent Territories	London	Mar. 17-22
Committee of Experts on the Application of Conventions	Geneva	Mar. 24-29
Industrial Committee on Coal Mining	Geneva	Apr. 23
Industrial Committee on Inland Transport	Geneva	May 6
International Wheat Conference	London	Mar. 18
United Nations:		
Trusteeship Council	Lake Success	Mar. 26
Meeting of Experts on Passport and Frontier Formalities	Geneva	Apr. 14
Committee on Progressive Development and Codification of International Law.	Lake Success	May 1-28 (tentative)
World Health Organization (WHO): Third Session of Interim Commission.	Geneva	Mar. 31

¹ Prepared in the Division of International Conferences, Department of State.

Calendar of Meetings—Continued

Interparliamentary Union: 36th Plenary Session	Cairo	April 7
International Conference on Trade and Employment: Second Meeting of Preparatory Committee.	Geneva	Apr. 10
UNESCO: Executive Board	Paris	Apr. 10-12
International Red Cross Committee.	Geneva	Apr. 14-26
PICAO: European-Mediterranean Special Air Traffic Control Conference.	Paris	Apr. 15
International Refugee Organization (IRO): Second Part of First Session of Preparatory Commission.	Geneva	Apr. 15 (tentative)
Fifth International Hydrographic Conference	Monaco	Apr. 22
FAO: International Timber Conference	Marianske-Lazne, Czechoslovakia.	Apr. 28
International Meeting of Marine Radio Aids to Navigation . .	New York and New London.	Apr. 28-May 9
European Central Inland Transport Organization (ECITO): Seventh Session of the Council.	Paris	April (tentative)
International Civil Aviation Organization (ICAO): First Meeting of General Assembly.	Montreal	May 6
Congress of the Universal Postal Union	Paris	May 6
International Radio Conference	Atlantic City	May 15
International Technical Committee of Aerial Legal Experts (CITEJA).	Montreal	May
International Emergency Food Council (IEFC): Fourth Meeting.	Washington	May (tentative)

Activities and Developments »

U. S. EXTENDS INVITATIONS FOR IMO MEETING

[Released to the press March 6]

The Departments of State and Commerce announced on March 6 that invitations have been extended to 53 nations to designate an official delegation or an observer to the Conference of Directors of the International Meteorological Organization (IMO), which will be held at Washington, D.C. from September 22 to October 7, 1947. Invitation is being extended to the following governments having a meteorological service affiliated with the International Meteorological Organization: Argentina, Australia, Belgium, Bolivia,

Brazil, Burma, Canada, Chile, China, Colombia, Costa Rica, Cuba, Czechoslovakia, Denmark, the Dominican Republic, Ecuador, Egypt, El Salvador, Finland, France, Greece, Guatemala, Haiti, Honduras, Hungary, Iceland, India, Iraq, Ireland, Italy, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Nicaragua, Panama, Paraguay, Peru, the Republic of the Philippines, Poland, Portugal, Rumania, Siam, Sweden, Switzerland, Turkey, the Union of South Africa, the Union of Soviet Socialist Republics, the United Kingdom, Uruguay, Venezuela, and Yugoslavia.

The membership of these Conferences is composed of the meteorological directors of the official weather services or meteorological institutions. The meetings have been held at intervals of about six years, the last regular meeting having been held at Warsaw in 1935. The Conference scheduled for 1941 was canceled because of the war, and an extraordinary meeting was held at London in February and March 1946. The primary aim of these Conferences is to reach international agreement on methods of observing, reporting, recording, and forecasting the weather for all purposes.

Prior to the Conference of the Directors of the International Meteorological Organization, meetings of the Technical Commissions of the IMO will be held at Toronto, Canada, from August 4 to September 13. Convening September 8, Regional Commissions 3 (South America) and 4 (North and Central America) will also be meeting in Toronto.

The Washington Conference of the Directors of the IMO will make final decisions on recommendations coming from Toronto meetings of the Commissions, and it will also consider various other questions of practical international application on meteorology.

It is believed that the mutual exchange of ideas among outstanding professional leaders in the field of meteorology will facilitate the dissemination of vital technical information throughout the world.

Explaining the significance of the meetings to all parts of the national and international economy, F. W. Reichelderfer, Chief of the Weather Bureau, Department of Commerce, said:

"Weather, as everyone knows, moves from place to place without regard to national boundaries. The reporting and forecasting of weather therefore depends to a large extent on the rapid exchange of information between countries. Weathermen, more than any other class of people, have been able to break down language barriers. This is done by means of simple but efficient coding systems.

"Thus, a weather report coded in figures in Africa, Russia, or China is as readily understood by weathermen in India or Argentina. Now and then, however, because of the changes in instruments and methods of observations, it is necessary to make changes in this International Code and weather language. These and other matters must be reconsidered in relation to the needs of ships at sea, aircraft, agriculture, business, and industry, internationally and nationally.

"Meetings of the International Meteorological Organization have been held at intervals of about six years since 1878. The last regular meeting was held at Warsaw in 1935. The meeting scheduled for 1941 was omitted because of the war, and an extraordinary meeting was held in London in February and March of 1946. The United States and Canada meetings will mark the first time the IMO has held a meeting outside of Europe.

"Weather observations in most national observation networks are now taken at the same instant of time in order to obtain a simultaneous picture of the over-all weather situation. This results in the United States, for example, in taking a morning observation at all eastern points at 7:30 Eastern Standard Time, at Mississippi Valley and Great Plains points at 6:30 Central Time, in the Rocky Mountain region at 5:30 Mountain Time, and in the Pacific states at 4:30 Pacific Time.

"In Russia and Siberia, however, observations are taken at a specified hour in local time, with the result that these observations over the whole of that country are not simultaneous. When Russia enters the world-wide system of 'same instant' observations the role of the meteorologist in most other countries will be made easier."

Peace, Freedom, and World Trade

ADDRESS BY THE PRESIDENT¹

It is with a real sense of gratification that I meet with you today on the beautiful campus of Baylor University in Waco. I congratulate you on the outstanding achievements of this great university during the 101 years of its existence. I am sincerely grateful for the degree of Doctor of Laws that you have bestowed upon me, and I am honored to become a fellow alumnus of the distinguished men and women of this institution who have contributed so much to make our country great.

At this particular time, the whole world is concentrating much of its thought and energy on attaining the objectives of peace and freedom. These objectives are bound up completely with a third objective—reestablishment of world trade. In fact the three—peace, freedom, and world trade—are inseparable. The grave lessons of the past have proved it.

Many of our people, here in America, used to think that we could escape the troubles of the world by simply staying within our own borders. Two wars have shown us how wrong they were. We know today that we cannot find security in isolation. If we are to live at peace, we must join with other nations in a continuing effort to organize the world for peace. Science and invention have left us no alternative.

After the first World War, the United States proposed a League of Nations, an organization to maintain order in the world. But when our pro-

posal was accepted and the League was established, this country failed to become a member.

Can any thoughtful person fail to realize today what that mistake cost this nation and cost the world?

This time we are taking a different course. Our country has taken a leading part in building the United Nations, in setting up its councils, its committees and commissions, and in putting them to work. We are doing everything within our power to foster international cooperation. We have dedicated ourselves to its success.

This is not, and it must never be, the policy of a single administration or a single party. It is the policy of all the people of the United States. We in America are unanimous in our determination to prevent another war.

But some among us do not fully realize what we must do to carry out this policy. There still are those who seem to believe that we can confine our cooperation with other countries to political relationships; that we need not cooperate where economic questions are involved.

This attitude has sometimes led to the assertion that there should be bipartisan support for the foreign policy of the United States, but that there need not be bipartisan support for the foreign *economic* policy of the United States.

Such a statement simply does not make sense.

Our foreign relations, political and economic, are indivisible. We cannot say that we are willing to cooperate in the one field and are unwilling to cooperate in the other. I am glad to note that leaders in both parties have recognized that fact.

The members of the United Nations have renounced aggression as a method of settling their

¹ Delivered at Baylor University, Waco, Tex., on Mar. 6, 1947 and released to the press by the White House on the same date.

political differences. Instead of putting armies on the march, they have now agreed to sit down around a table and talk things out. In any dispute, each party will present its case. The interests of all will be considered, and a fair and just solution will be found. This is the way of international order. It is the way of a civilized community. It applies, with equal logic, to the settlement of *economic* differences.

Economic conflict is not spectacular—at least in the early stages. But it is always serious. One nation may take action in behalf of its own producers, without notifying other nations, or consulting them, or even considering how they may be affected. It may cut down its purchases of another country's goods, by raising its tariffs or imposing an embargo or a system of quotas on imports. And when it does this some producer in the other country will find the door to his market suddenly slammed and bolted in his face.

Or a nation may subsidize its exports, selling its goods abroad below their cost. When this is done, a producer in some other country will find his market flooded with the goods that have been dumped.

In either case, the producer gets angry, just as you or I would get angry if such a thing were done to us. Profits disappear; workers are dismissed. The producer feels that he has been wronged, without warning and without reason. He appeals to his government for action. His government retaliates, and another round of tariff boosts, embargoes, quotas, and subsidies is under way. This is economic war. In such a war nobody wins.

Certainly nobody won the last economic war. As each battle of the economic war of the thirties was fought, the inevitable tragic result became more and more apparent. From the tariff policy of Hawley and Smoot, the world went on to Ottawa and the system of imperial preferences, from Ottawa to the kind of elaborate and detailed restrictions adopted by Nazi Germany. Nations strangled normal trade and discriminated against their neighbors, all around the world.

Who among their peoples were the gainers? Not the depositors who lost their savings in the failure of the banks. Not the farmers who lost their farms. Not the millions who walked the streets looking for work. I do not mean to say

that economic conflict was the *sole* cause of the depression. But I do say that it was a *major* cause.

Now, as in the year 1920, we have reached a turning point in history. National economies have been disrupted by the war. The future is uncertain everywhere. Economic policies are in a state of flux. In this atmosphere of doubt and hesitation, the decisive factor will be the type of leadership that the United States gives to the world.

We are the giant of the economic world. Whether we like it or not, the future pattern of economic relations depends upon us. The world is waiting and watching to see what we shall do. The choice is ours. We can lead the nations to economic peace or we can plunge them into economic war.

There must be no question as to our course. We must not go through the thirties again.

There is abundant evidence, I think, that these earlier mistakes will not be repeated. We have already made a good start. Our Government has participated fully in setting up, under the United Nations, agencies of international cooperation for dealing with relief and refugees, with food and agriculture, with shipping and aviation, with loans for reconstruction and development, and with the stabilization of currencies. And now, in order to avoid economic warfare, our Government has proposed, and others have agreed, that there be set up, within the United Nations, another agency to be concerned with problems and policies affecting world trade. This is the International Trade Organization.

This organization would apply to commercial relationships the same principle of fair dealing that the United Nations is applying to political affairs. Instead of retaining unlimited freedom to commit acts of economic aggression, its members would adopt a code of economic conduct and agree to live according to its rules. Instead of adopting measures that might be harmful to others, without warning and without consultation, countries would sit down around the table and talk things out. In any dispute, each party would present its case. The interest of all would be considered, and a fair and just solution would be found. In economics, as in international politics, this is the way to peace.

The work of drafting a world trade charter was begun by the United States.² It was carried forward by a Preparatory Committee of 18 nations meeting in London last fall.³ It should be completed at a second meeting of this committee in Geneva, beginning on April 10.

The progress that has already been made on this project is one of the most heartening developments since the war.

If the nations can agree to observe a code of good conduct in international trade, they will cooperate more readily in other international affairs. Such agreement will prevent the bitterness that is engendered by an economic war. It will provide an atmosphere congenial to the preservation of the peace.

As a part of this program, we have asked the other nations of the world to join us in reducing barriers to trade. We have not asked them to remove all barriers. Nor have we ourselves offered to do so. But we *have* proposed negotiations directed toward the reduction of tariffs, here and abroad, toward the elimination of other restrictive measures, and the abandonment of discrimination. These negotiations are to be undertaken at the meeting which opens in Geneva next month. The success of this program is essential to the establishment of the International Trade Organization, to the effective operation of the International Bank and the Monetary Fund, and to the strength of the whole United Nations structure of cooperation in economic and political affairs.

The negotiations at Geneva must not fail.

There is one thing that Americans value even more than peace. It is freedom: freedom of worship—freedom of speech—and freedom of enterprise. It must be true that the first two of these freedoms are related to the third. For throughout history freedom of worship and freedom of speech have been most frequently enjoyed in those societies that have accorded a considerable measure of freedom to individual enterprise. Freedom has flourished where power has been dispersed. It has languished where power has been too highly centralized. So our devotion to freedom of enterprise, in the United States, has deeper roots than a desire to protect the profits of ownership. It is part and parcel of what we call American.

The pattern of international trade that is most conducive to freedom of enterprise is one in which the major decisions are made not by governments but by private buyers and sellers, under conditions of active competition, and with proper safeguards against the establishment of monopolies and cartels. Under such a system, buyers make their purchases, and sellers make their sales, at whatever time and place and in whatever quantities they choose, relying for guidance on whatever prices the market may afford. Goods move from country to country in response to economic opportunities. Governments may impose tariffs, but they do not dictate the quantity of trade, the sources of imports, or the destination of exports. Individual transactions are a matter of private choice.

This is the essence of free enterprise.

The pattern of trade that is *least* conducive to freedom of enterprise is one in which decisions are made by governments. Under such a system, the quantity of purchases and sales, the sources of imports, and the destination of exports are dictated by public officials. In some cases, trade may be conducted by the state. In others, part or all of it may be left in private hands. But even so the trader is not free. Governments make all the important choices and he adjusts himself to them as best he can.

This was the pattern of the seventeenth and eighteenth centuries. Unless we act, and act decisively, it will be the pattern of the next century.

Everywhere on earth, nations are under economic pressure. Countries that were devastated by the war are seeking to reconstruct their industries. Their need to import, in the months that lie ahead, will exceed their capacity to export. And so they feel that imports must be rigidly controlled.

Countries that have lagged in their development are seeking to industrialize. In order that new industries may be established, they, too, feel that competing imports must be rigidly controlled.

² For text of U.S. draft charter for an International Trade Organization, see Department of State publication 2598.

³ For text of London draft charter for an International Trade Organization, see Department of State publication 2728.

Nor is this all. The products of some countries are in great demand. But buyers outside their borders do not hold the money of these countries in quantities large enough to enable them to pay for the goods they want. And they find these monies difficult to earn. Importing countries, when they make their purchases, therefore seek to discriminate against countries whose currencies they do not possess. Here, again, they feel that imports must be rigidly controlled.

One way to cut down on imports is by curtailing the freedom of traders to use foreign money to pay for imported goods. But recourse to this device is now limited by the terms of the British loan agreement and the rules of the International Monetary Fund. Another way to cut down on imports is by raising tariffs.

But if controls over trade are really to be tight, tariffs are not enough. Even more drastic measures can be used. Quotas can be imposed on imports, product by product, country by country, and month by month. Importers can be forbidden to buy abroad without obtaining licenses. Those who buy more than is permitted can be fined or jailed. Everything that comes into a country can be kept within the limits determined by a central plan. This is regimentation. And this is the direction in which much of the world is headed at the present time.

If this trend is not reversed, the Government of the United States will be under pressure, sooner or later, to use these same devices in the fight for markets and for raw materials. And if the Government were to yield to this pressure it would shortly find itself in the business of allocating foreign goods among importers and foreign markets among exporters and telling every trader what he could buy or sell, and how much, and when, and where. This is precisely what we have been trying to get away from as rapidly as possible, ever since the war. It is not the American way. It is not the way to peace.

Fortunately, an alternative has been offered to the world in the charter of the International Trade Organization that is to be considered at Geneva in the coming month. The charter would limit the present freedom of governments to impose detailed administrative regulations on their foreign trade. The International Trade Organization would require its member nations to confine such controls to exceptional cases in the im-

mediate future, and to abandon them entirely as soon as they can.

The trade-agreement negotiations that will accompany consideration of the charter should enable countries that are now in difficulty to work their way out of it by affording them readier access to the markets of the world. This program is designed to restore and preserve a trading system that is consistent with continuing freedom of enterprise in every country that chooses freedom for its own economy. It is a program that will serve the interests of other nations as well as those of the United States.

If these negotiations are to be successful, we ourselves must make the same commitments that we ask of all the other nations of the world. We must be prepared to make concessions if we are to obtain concessions from others in return. If these negotiations should fail, our hope of an early restoration of an international order in which private trade can flourish would be lost. I say again, they must not fail.

The program that we have been discussing will make our foreign trade larger than it otherwise would be. This means that exports will be larger. It also means that imports will be larger. Many people, it is true, are afraid of imports. They are afraid because they have assumed that we cannot take more products from abroad unless we produce just that much less at home.

Fortunately, this is not the case. The size of our market is not forever fixed. It is smaller when we attempt to isolate ourselves from the other countries of the world. It is larger when we have a thriving foreign trade. Our imports were down to a billion dollars in 1932; they were up to five billion in 1946. But no one would contend that 1932 was a better year than 1946 for selling goods, or making profits, or finding jobs. Business is poor when markets are small. Business is good when markets are big. It is the purpose of the coming negotiations to lower existing barriers to trade so that markets everywhere may grow.

I said to the Congress, when it last considered the extension of the Trade Agreements Act, and I now reiterate, that domestic interests will be safeguarded in this process of expanding trade. But there still are those who sincerely fear that the trade-agreement negotiations will prove disastrous to the interests of particular producing groups. I

am sure that their misgivings are not well founded. The situation briefly is this:

1. The Reciprocal Trade Agreements Act has been on the books since 1934. It has been administered with painstaking care and strict impartiality. Some 30 agreements with other countries have been made. And trade has grown, to the great benefit of our economy.

2. This Government does not intend, in the coming negotiations, to eliminate tariffs or establish free trade. All that is contemplated is the reduction of tariffs, the removal of discriminations, and the achievement not of free trade but of freer trade.

3. In the process of negotiations, tariffs will not be cut across the board. Action will be selective; some rates may be cut substantially, others moderately, and others not at all.

4. In return for these concessions, we shall seek and obtain concessions from other countries to benefit our export trade.

5. Millions of Americans—on farms, in factories, on the railroads, in export and import businesses, in shipping, aviation, banking, and insurance, in wholesale establishments, and in retail stores—depend on foreign trade for some portion of their livelihood. If we are to protect the interests of these people, in their investments and their employment, we must see to it that our trade does not decline. To take one of these groups as an example: we exported in 1946 over three billion dollars' worth of agricultural products alone, mostly grain, cotton, tobacco, dairy products, and eggs. If we should lose a substantial part of this foreign market, the incomes of over six million farm families would be materially reduced and their buying power for the products of our factories greatly curtailed.

6. There is no intention to sacrifice one group to benefit another group. Negotiations will be directed toward obtaining larger markets, both foreign and domestic, for the benefit of all.

7. No tariff rate will be reduced until an exhaustive study has been made, until every person who wishes a hearing has been heard and careful consideration given to his case.

8. In every future agreement, there will be a clause that permits this Government—or any other government—to modify or withdraw a concession if it should result, or threaten to result, in serious injury to a domestic industry. This is now re-

quired by the Executive order which I issued on February 25,⁴ following extensive conferences between officials in the Department of State and majority leaders in the Senate.

All these points—the history of trade-agreement operations, the way in which negotiations are conducted, the protection afforded by the safeguarding clause—should provide assurance, if assurance is needed, that domestic interests will not be injured.

The policy of reducing barriers to trade is a settled policy of this Government. It is embodied in the Reciprocal Trade Agreements Act, fathered and administered for many years by Cordell Hull. It is reflected in the charter of the International Trade Organization. It is one of the cornerstones of our plans for peace. It is a policy from which we cannot—and must not—turn aside.

To those among us—and there are still a few—who would seek to undermine this policy for partisan advantage and go back to the period of high tariffs and economic isolation, I can say only this: Take care! Times have changed. Our position in the world has changed. The temper of our people has changed. The slogans of 1930 or of 1896 are sadly out of date. Isolationism, after two world wars, is a confession of mental and moral bankruptcy.

Happily, our foreign economic policy does not now rest upon a base of narrow partisanship. Leaders in both parties have expressed their faith in its essential purposes. Here, as elsewhere in our foreign relations, I shall welcome a continuation of bipartisan support.

Our people are united. They have come to a realization of their responsibilities. They are ready to assume their role of leadership. They are determined upon an international order in which peace and freedom shall endure.

Peace and freedom are not easily achieved. They cannot be attained by force. They come from mutual understanding and cooperation, from a willingness to deal fairly with every friendly nation in all matters—political and economic. Let us resolve to continue to do just that, now and in the future. If other nations of the world will do the same, we can reach the goals of permanent peace and world freedom.

⁴ BULLETIN of Mar. 9, 1947, p. 436.

Senate Consideration of Peace Treaties With Italy, Bulgaria, Rumania, and Hungary¹

STATEMENT BY THE SECRETARY OF STATE

These treaties, which the President of the United States has submitted to you for your consent to ratification, represent the result of months of effort on the part of my predecessor, Mr. Byrnes, Senator Vandenberg, Senator Connally, and their staff to make a start on the road back to peace.

Mr. Byrnes, Senator Vandenberg, and Senator Connally are naturally much more familiar with the provisions of these treaties than I am and can explain them to you, their why's and wherefore's, much better than I can.

I wish only to say a few words upon the importance of what they have accomplished and upon the importance of the prompt ratification of these treaties.

After any great war it is never easy for allies to avoid serious disagreement among themselves and to agree upon a common peace. They become acutely, and frequently in an exaggerated degree, conscious of differences which were submerged during the common struggle for survival. They find it difficult to realize that common sacrifices are as necessary to achieve peace as they are to achieve military victory.

It was not easy, I am sure, for the Allies to reach common agreement on these treaties. Our delegation from the outset insisted that not only the four great powers but all the nations which actively participated in the European war should

have a voice in making the peace with Italy and the Axis satellite states. The treaties were not dictated by the United States; they were not dictated by any other power; they represent the composite judgment of the nations whose fighting made victory possible. The principal provisions of the treaties are based upon recommendations of the Paris conference adopted by a two-thirds vote of the nations which actively participated in the European war. That is the kind of international cooperation which we must encourage if we are to build enduring peace.

These treaties if ratified will bring to an end the armistice regimes and will result in the withdrawal of occupation troops from Italy and the ex-satellite states except for a limited number of troops for a limited period in the Trieste area and a limited number of troops necessary to guard the Soviet communication lines in Hungary and Rumania to Austria. The ratification of these treaties will enable these countries, freed from the burden of occupation, to apply themselves to the urgent tasks of reconstruction.

The important fact is that in these treaties we make a beginning of peace. The making of that beginning will give immeasurable help and encouragement to further progress along the road to peace.

STATEMENT BY JAMES F. BYRNES

I do not propose to burden you with long explanations of the discussions in which I participated, leading to the conclusion of the four treaties which are now before you. Nor do I propose to analyze these treaties in detail. Your chairman, Senator Vandenberg, and Senator Connally

were at my side throughout the long negotiations, lending me their wise counsel and immeasurably lightening the difficult task. They know at least as much of these treaties as I and probably more.

There are several aspects of the negotiations, however, to which I should like to draw your attention. Under the Potsdam agreement the task of preparation of the treaties of peace with Italy, Rumania, Bulgaria, Hungary, and Finland was entrusted to the Council of Foreign Ministers.

At London the American Delegation insisted

¹The two following statements were made before the Senate Committee on Foreign Relations on Mar. 4, 1947 and made public by that Committee on the same date. Mr. Byrnes was Secretary of State during the formulation of the final drafts of the peace treaties.

that there should be a peace conference so that other states which had fought the war should be given the opportunity to help make the peace. The Soviet representative opposed the proposal and the Conference adjourned in complete disagreement. At Moscow, three months later, the Soviets agreed to hold the Peace Conference.

Although the results of the Conference are not those which might have been desired by all of us, nevertheless, its recommendations provided the basis for the final settlement at the last meeting of the Council of Foreign Ministers in New York.

Out of the 53 Peace Conference recommendations which were adopted by at least a two-thirds majority, 47 were incorporated with little or no change in wording in the final text of the treaties.

Of the 41 recommendations adopted by a majority but by less than a two-thirds majority of the Conference, 24 appear in the final wording.

The other recommendations were not ignored. They were carefully considered in connection with the remaining agreements. For example, without the Conference recommendations upon the establishment of the Free Territory of Trieste, no final solution of this difficult question would have been possible. Its eventual solution contains the basic principles of the Conference's recommendations.

Unsatisfactory though the peace treaties may be from many points of view, their coming into force through their early ratification will insure certain positive advantages for all, including the ex-enemy states themselves, which should not be overlooked in any analysis of the situation created by these agreements.

In the first instance they represent an important, although a limited, step in the direction of the restoration of peace, of order, and of stability. Stability and peace can only be achieved as elements of uncertainty are removed. Until the treaties are ratified, the armistice regimes remain in force. As long as they remain in force none of the states subject to them can look forward to a future free from the possibility of interference in every phase of their national life, an interference which by the terms of the armistices other countries are required to recognize and to accept.

It is true that in Italy we have refrained from exercising many of the rights granted us. But the fact that they still existed was a continuing element of instability for the people and for their government.

Only through the conclusion of a definitive peace can the ex-enemy states resume their sovereign rights and thereby accept full responsibility for their own acts in the future, another important step toward the restoration of stable conditions.

No planning for the future, particularly in respect to economic development, was possible as long as these states were uncertain with respect to their future obligations arising out of the war.

The treaties authorize the ex-enemy states to make application for admission to the United Nations. Once admitted to membership they subscribe to the principles of the Charter and like every other peace-loving state have the right of appeal for the settlement of any problem which might affect their peace and security. They will then have the right to take an equal part in resolving this problem. As a result of such appeals, it is possible that revision of some of the more onerous clauses might be achieved.

Our action in consistently pressing for agreement upon these treaties has been influenced by our conviction that there could be no return to normal conditions in Europe until armies of occupation were withdrawn and our realization that they would not be withdrawn in the absence of treaties.

The withdrawal of Allied forces from Italy, Bulgaria, and Finland and the reduction of the garrisons in Rumania and Hungary to the level required only for the maintenance of lines of communication will remove heavy economic burdens from these countries and release them from pressure in other ways.

The withdrawal of occupation troops from lines of communication will result from the conclusion of the Austrian treaty, to which end every effort is now being made.

The United States and British forces in Italy have already been reduced almost below the effective level. The same cannot be said for the forces of occupation in other countries which must now leave within 90 days after the entry into force of the treaties.

I might recall that the settlement involving Trieste was the most controversial aspect of our long negotiations. Indeed, until this question had been disposed of it seemed likely that no final overall agreement could be achieved. The United States originally proposed that the area west of an

ethnic line drawn after careful study by American experts should be the boundary between Italy and Yugoslavia, leaving the Italian populations of Pola and Trieste joined to Italy.

Other frontiers were proposed by different delegations, but the lack of agreement in the Council of Foreign Ministers rendered our ethnic solution impossible of general adoption.

Yugoslavia supported by Soviet Russia urged the establishment of its frontier even to the west of Italy's pre-1918 boundary. For its contribution to Allied victory Yugoslavia asked to be awarded the whole of Venezia Giulia. Its representatives claimed that the western littoral including the city of Trieste should be joined to its Slav hinterland in spite of the fact that this area was predominantly Italian.

Because of the mingling of the two nationalities throughout the Venezia Giulia area, numerous Italian elements of the population will now be placed under Yugoslav sovereignty. However, the new line does establish a certain balance between the two ethnic groups, and the establishment of the Free Territory does insure home rule to the people of the Trieste area under international guaranties.

It should not be overlooked that upon American insistence guaranties have been inserted to insure the full exercise of fundamental liberties and human rights to any people transferred to alien sovereignty.

When we agreed to the internationalization of this area we were determined that it should be genuinely international in character and that the Security Council of the United Nations, which was to assume the responsibility for the integrity and the security of the territory and the protection of human rights, must have adequate powers to discharge this responsibility. It is my conviction that the Statute of the Free Territory does provide guaranties in this respect.

We can hope that it will provide the framework for the creation and maintenance of a genuine international regime which, if backed by an honest effort on the part of all states concerned, would bring to an end a source of long-standing friction and disturbance.

In order to insure that the Territory shall have the necessary financial resources to stand by itself it was important to ascertain the form and the extent of financial assistance which might be necessary in the early days. The extent of this support

was warmly disputed at the last Council meeting in New York, but all were in agreement that this was an important element of the settlement.

A committee of experts was immediately sent to the Territory to investigate and to report prior to the next meeting of the Council of Foreign Ministers what measures should be adopted during the early days of the new Territory's existence to start it on its independent existence. The committee has not yet submitted its report. I am informed that some measure of agreement has been reached upon the long-term measures required but that it may have to be left to the Ministers in Moscow to determine the extent of the immediate assistance required.

It is apparent that the Free Territory will present many serious problems. But it must be remembered that we were compelled to decide between the internationalization of this Territory or having no agreement at all. The Soviets were determined not to leave Trieste as part of Italy. The United States, Great Britain, and France were equally determined that Trieste, with its large Italian population, should not be given to Yugoslavia.

I am reconciled to the compromise for another reason—my fears as to what would have happened had our proposal been agreed to and Trieste given to Italy. Representatives of Yugoslavia had announced their determination to do everything in their power to take over Trieste. Nationals of Yugoslavia were daily moving into the city. After the treaty became effective and the armed forces of the United States and Great Britain returned home, it is probable there would be rioting in Trieste. Yugoslavia would declare it necessary to quell the rioting on its border and troops would be sent into Trieste. A disarmed Italy could not stop them. There probably would be an appeal to the Security Council. We can only speculate as to the result.

It is my opinion that Yugoslavia will hesitate to take such action as to the international territory under the control of the United Nations. She will realize there is a difference between encroaching upon the territory of a defeated enemy state that has been disarmed and encroaching upon the Free Territory of Trieste whose integrity and independence is specifically guaranteed by the Security Council of the United Nations.

Other benefits granted to the people of the ex-

enemy states assure the maintenance of their basic human rights and fundamental freedoms. These clauses constitute an international obligation and assure other states the right to see to it that they are maintained. In the preparation of these guaranties we also took precautions to prevent the reemergence of identifiable pre-war and wartime anti-democratic elements and the reemergence of pre-war Fascism. No limitations upon the democratic freedom and development of the people are contained in the treaties.

In the preparation of the economic clauses of the treaties, we addressed ourselves to two main problems. One was the liquidation of questions arising from the participation of these countries in the war on the Axis side. The other was the establishment of a basis for the resumption of economic relations between the former enemy states and the United Nations.

The first problem concerned primarily the liability of the former enemy states for the injuries which they caused to the United Nations and their nationals.

During the course of the negotiations the American Delegation strongly urged the viewpoint that the victors should avoid taking steps which would reduce the ex-enemy states to economic chaos.

The economic collapse of any country cannot fail to have the effect of retarding recovery in other countries. It would impede the objective of the United Nations of restoring and improving the standards of living generally and establishing economic conditions conducive to the maintenance of peace.

While the United States did not oppose the requirement that Italy contribute to the rehabilitation of the countries she had invaded, we found difficulty in accepting reparation proposals which were put forward by the various claimant countries. Italy has few raw materials and has relied for her living primarily on the ability of her people to work, that is, by processing goods for export. She has also relied upon her merchant marine, her tourist trade, and her insurance business.

Most of her important sources of income were lost or substantially curtailed as a result of the war. Consequently, the United States found it necessary to extend substantial amounts of financial assistance to Italy after she joined the Allied forces.

After many months of discussion a formula was found for dealing with the Italian reparation problem which appeared to constitute a reasonable compromise between the conflicting viewpoints. To a small extent, Italian reparations will be met out of the Italian factory and tool equipment which was devoted to military purposes, and which is no longer needed to sustain the small military establishment permitted under the treaty and cannot be converted to peaceful production.

Italian reparation obligations will also be met out of certain Italian investments, notably in the Balkan countries and in some of the ceded territory.

The principal source of Italian reparations, however, will be the delivery of goods from current Italian industrial production. We refused to agree to this source until we devised a program which would avoid having the United States furnish the means of paying reparations.

In the first place, deliveries from current production are not required to begin until two years after the treaty comes into force.

In the second place, the reparation-recipient countries are called upon to furnish to Italy those raw materials needed in the production of reparation goods which are normally imported into Italy.

The value of such materials is to be deducted from the value of the goods delivered by Italy.

The period over which reparations are to be paid is seven years, including the initial two years during which deliveries from current production are not mandatory.

Under this system Italy will be given a breathing space during which she can get her economic house in order, and the total volume of deliveries in any year should not be such as to place too heavy a burden on the Italian economy.

In the case of Rumania, the treaty leaves the reparation obligation, which is payable only to the Soviet Union, at the level of \$300,000,000 fixed in the armistice agreement. Although Rumania is now suffering economic difficulties as the result of a severe drought, she has basic resources which seemed to us adequate to sustain this reparation obligation.

In the case of Hungary the United States Delegation felt that the reparation of \$300,000,000 fixed in the armistice agreement with Hungary should be reviewed. During the period following termination of hostilities, the Hungarian economy suf-

ferred a very severe crisis culminating last year in a currency inflation of astronomical proportions. While we were aware of the fact that the cause of this situation lay partly in the disorganization resulting from the war, we felt that a very important contributing factor was the reparation program and the exactions laid upon Hungary under the terms of the armistice to support the Soviet armed forces in that country.

We tried repeatedly to induce the Soviet Union to join with us and the British Government in reviewing the Hungarian situation but they refused to enter into such discussions.

Having failed to obtain agreement on a review of the situation, we proposed during the Peace Conference that the Hungarian reparation obligation be reduced. Our proposal did not obtain a large number of votes, and the alternative proposal to leave the reparations at \$300,000,000 was voted by the Peace Conference by a bare majority.

Meanwhile, the Soviet Union had entered into direct discussions with the Hungarian Government and had agreed on some adjustments in the schedule of Hungarian deliveries.

In the light of all the circumstances and particularly the fact that the treaty will result in the withdrawal of the Soviet forces from Hungary, except for the troops necessary to maintain the line of communications to Austria, we resolved our doubts in favor of the Paris Peace Conference recommendation, that the reparation figure be left at \$300,000,000.

In the case of Bulgaria, reparation claims were advanced only by Greece and Yugoslavia. The Paris Conference recommended by less than a two-thirds vote that reparations be fixed at \$125,000,000. The Soviet Union considered this amount to be in excess of Bulgaria's ability and out of line with the amounts fixed for other countries.

Agreement was ultimately reached on the figure of \$70,000,000, which is not entirely comparable to the figure of \$125,000,000 because of changes in the basis of valuation of reparation deliveries more favorable to the recipient states.

A question related to reparation, and one of direct interest to the United States, was that of treatment of Allied property in the ex-enemy countries and the extent to which compensation should be made for damages sustained by such property.

In Italy the property holdings of our nationals are in the neighborhood of \$130,000,000. More

than half is in industrial and commercial enterprises. In Rumania our investments amount to perhaps \$40,000,000, consisting principally of interests in the petroleum industry. Our investments in Hungary can be estimated at \$20,000,000 and in Bulgaria about \$3,000,000. These are direct investments and do not include our security holdings and various other miscellaneous properties and financial interests.

Provisions have been included in the treaties for the restoration of Allied properties to their owners and for the repeal of discriminatory laws and other measures taken against Allied property during the war. The properties are to be restored in good order by the ex-enemy states. Where this cannot be done, compensation will be made to the owners in local currency at a rate sufficient at the time of payment to cover two thirds of the loss suffered.

It is obviously impossible to restore everyone to the exact position which he had before the war, and the American Delegation considered the provisions ultimately agreed upon to constitute a reasonable degree of satisfaction of the claims of property owners.

While only partial compensation is provided for damages suffered by property owners in the ex-enemy countries, it must be remembered that the payment of reparations will permit only an infinitesimal amount of compensation for damages suffered in the invaded countries.

It seemed to us that we could not press for full compensation for one class of claimants, particularly in the light of the total burdens being placed upon the former enemy countries in the peace treaties.

Other provisions in the treaties deal with such matters as the return of property looted in the invaded countries, renunciation of claims against the Allied states, expenses of occupation, questions of military currency and military requisition, and a variety of other matters.

It seemed to us desirable that the treaties constitute as far as possible a settlement of all questions arising out of the war and that methods be provided which would enable disputes arising in regard to the interpretation or execution of the treaty provisions to be speedily resolved. We encountered some difficulty in reaching agreement on a procedure for settling disputes, but a formula was ultimately found which I believe will furnish

a satisfactory basis for the ultimate resolution of those questions which cannot be resolved by bilateral negotiation.

It is our hope that these states will soon be admitted to the United Nations Organization and also to various specialized agencies which have been created by the United Nations. Through the specialized agencies of an economic character, such as the International Bank, the Monetary Fund, the International Aviation Organization, the International Trade Organization, and other international bodies, the former enemy states will be enabled to join with the United Nations in co-operative action looking forward to the stabilization and improvement of international economic relations and a general increase in trade and employment.

Prior to the outbreak of the war the Balkan countries had been subjected to strong economic pressure by Germany through clearing agreements and other devices. The economic dominance which Germany gradually obtained over them was used not only as an instrument against the commercial interests of other countries but as a means of undermining the independence of the Balkan countries.

With the defeat of Germany it is natural that the countries of eastern Europe will cultivate much closer economic relations with the Soviet Union than they had before the war.

However, we have been disturbed over the development since the end of hostilities of economic policies and practices which seemed to us would result in a new set of discriminatory arrangements in the Balkan area.

After a long discussion we reached agreement on provisions guaranteeing equality of economic opportunity for a year and a half after the peace treaties come into force, during which period it is contemplated that the United Nations will enter into new trade arrangements with the former enemy states.

These provisions require the ex-enemy states to grant, to each of the United Nations which grant similar treatment to them, non-discriminatory treatment in matters of trade and equal status with their own nationals in the conduct of business activity within the country. Furthermore, the treaties prohibit discrimination in matters relating to civil aviation and guarantee for the same period of a year and a half equality of op-

portunity to all the United Nations in negotiating for civil-aviation rights.

Another important provision directed to the maintenance of the open door in the Balkans is the treaty clause on the Danube and the related agreement by the Council of Foreign Ministers to summon a conference to establish a new Danube regime.

For almost a century there have been international guaranties of freedom of commerce and navigation on the Danube. These principles are reaffirmed in the treaties with the satellite states.

The agreement of the Council provides that a conference shall be convened within six months after the entry into force of the treaties to establish a new international regime for navigation on the Danube. The countries which will participate in the conference are the states bordering on the Danube, including the Soviet Union, together with the United States, Great Britain, and France.

These arrangements were a compromise, and I think a reasonable one, between the desire of the Soviet Union that arrangements respecting the Danube should be left solely in the hands of the riparian states and the view of the other three powers which participated in drafting the peace treaties that the Danube question concerns all countries and that its settlement should involve appropriate participation by non-Danubian states.

The economic clauses of the treaty constitute only one step in the process of clearing away the debris of the war and the rebuilding of the shattered European economy. While certain provisions will be regarded as harsh, the treaty clauses do lay the basis for resumption of normal and healthy relations between the former enemy countries and the United Nations. Taken as a whole, they have appeared to the American Delegation as constituting a reasonably satisfactory solution of the very difficult problems involved in harmonizing all of the conflicting viewpoints.

No final disposition of the Italian colonies was agreed upon in the Italian treaty. The treaty provides for further study of this question by the four powers in consultation with other interested countries, and if they are unable to agree the matter is to be left to the decision of the General Assembly of the United Nations. In the meanwhile, the colonies will remain under the control of the British occupational authorities.

I regard it as of great significance that we were

able to get acceptance of our proposal that in the absence of agreement among the four powers the United Nations, without any state having the right of veto, should determine what should be done with these colonies.

I have no doubt that each Senator can find in the treaties some provision to which he objects. I hope, however, that in considering the question of ratification he will recall our own difficulties reaching agreement under the unanimous-consent rule. This is the rule that prevails in the Council of Foreign Ministers because no one of the great powers can be forced to sign a treaty.

If in the Senate we find it difficult to reach unanimous agreement when we have common interests and a common language, you will realize how much more difficult it is to reach unanimity

in the Council where states have conflicting interests and those conflicts of interest must be presented in different languages.

I believe that the agreements reached are as good as we can hope to obtain at this time or for some time to come. I believe that it is much better for us and for the countries concerned if we ratify these agreements than if we have no agreements.

The fact that agreements were possible even in this limited field will create an element of stability. It disposes of one source of international argument and discussion. It demonstrates that the nations that won the war can agree as to the peace and should make it easier for us to agree on the other treaties.

International Children's Emergency Fund—Continued from page 470

full cooperation with the government, that the principles for the operation of the Fund are faithfully fulfilled, and to gather material regarding the need for continued assistance.¹¹

The following policies have already been accepted by the Program Committee of the Fund:

(a) The basic policy of the ICEF should be one of the highest trusteeship between the donor and the beneficiary. From the moment of receiving a contribution until the child obtains its relief, the ICEF will diligently and conscientiously follow step by step the conversion of money to relief supplies and the eventual utilization of these supplies.

(b) To this end the ICEF will either effect its own procurement and shipment of relief supplies or make adequate arrangements with governmental agencies which handle these activities in trust.

(c) Furthermore, as the trustee of the donor the ICEF will maintain title to its relief supplies until consumed by the ultimate recipient. From the time of receipt at a country's frontier until dispensation to the child, the ICEF may in trusteeship delegate the transport and distribution of these goods to a government or relief organization mutually acceptable to the government and the Fund. The government or relief organization to whom this

trusteeship is delegated, however, should maintain the same standards of responsibility as the donor expects of the ICEF.

In January 1947, the Secretary-General transmitted to member nations an appeal for contributions from the Executive Board of the Fund, outlining the need, the methods of operation, and the administrative organization of the Fund. In discussing the financing of the Fund the memorandum stated:

"All these plans and projects [of the Fund] will be mere empty gestures, however, unless the Fund is provided with the resources it will need for its operations. The General Assembly, relying upon the full sympathy and cooperation which can be expected from the Governments and peoples of the world, established no fixed standard for contributions. Instead it closed the Resolution creating the Fund by calling upon governments, voluntary agencies, and private individuals to give to the Fund their generous support. The provision of necessary resources, pursuant to this appeal made with the full voice and authority of the United Nations, is a matter of the utmost urgency if the lives and future of the rising generation are to be safeguarded."¹²

Only to the extent that that hope of the General Assembly is realized will the International Children's Emergency Fund become a reality for millions of children who are suffering as a result of the destruction and dislocation of the war.

¹¹ *Report of the International Children's Emergency Fund to the Social Commission, E/CN.5/8/Add. 1, Jan. 21, 1947, p. 8.*

¹² *Ibid.*, Annex 3, p. 27.

Greek Government Seeks U.S. Financial Aid

MESSAGE TO PRESIDENT AND SECRETARY OF STATE FROM GREEK PRIME MINISTER AND FOREIGN MINISTER¹

SIR: I have the honor, on instructions of my Government, to convey the following urgent message to His Excellency the President of the United States and to Your Excellency:

"Owing to the systematic devastation of Greece, the decimation and debilitation of her people and the destruction of her economy through four invasions and protracted enemy occupation, as well as through disturbances in the wake of war, and despite the valuable assistance rendered by our Allies during and after the war for which the Greek people feel profoundly grateful, further and immediate assistance has unfortunately become vital. It is impossible to exaggerate the magnitude of the difficulties that beset those survivors in Greece who are devoting themselves to the restoration of their country. Such means of survival as remained to the Greek people after the enemy withdrew have now been exhausted so that today Greece is without funds to finance the import even of those consumption goods that are essential for bare subsistence. In such circumstances the Greek people cannot make progress in attacking the problems of reconstruction, though substantial reconstruction must be begun if the situation in Greece is not to continue to be critical.

"The Greek Government and people are therefore compelled to appeal to the Government of the United States and through it to the American people for financial, economic and expert assistance. For Greece to survive she must have:

"1. The financial and other assistance which will enable her immediately to resume purchases of the food, clothing, fuel, seeds and the like that are indispensable for the subsistence of her people and that are obtainable only from abroad.

"2. The financial and other assistance necessary to enable the civil and military establishments of the Government to obtain from abroad the means

of restoring in the country the tranquillity and feeling of security indispensable to the achievement of economic and political recovery.

"3. Aid in obtaining the financial and other assistance that will enable Greece and the Greek people to create the means for self-support in the future. This involves problems which unhappily cannot be solved unless we surmount the crisis immediately confronting us.

"4. The aid of experienced American administrative, economic and technical personnel to assure the utilization in an effective and up-to-date manner of the financial and other assistance given to Greece, to help to restore a healthy condition in the domestic economy and public administration and to train the young people of Greece to assume their responsibilities in a reconstructed economy.

"The need is great. The determination of the Greek people to do all in their power to restore Greece as a self-supporting, self-respecting democracy is also great; but the destruction in Greece has been so complete as to rob the Greek people of the power to meet the situation by themselves. It is because of these circumstances that they turn to America for aid.

"It is the profound hope of the Greek Government that the Government of the United States will find a way to render to Greece without delay the assistance for which it now appeals.

"Signed: D. MAXIMOS, Prime Minister, C. TSALDARIS, Deputy Prime Minister and Minister for Foreign Affairs."

Accept [etc.] PAUL ECONOMOU-GOURAS

His Excellency GEORGE C. MARSHALL

Secretary of State

Washington, D. C.

¹ Delivered by the Chargé d'Affaires of Greece in Washington on Mar. 3, 1947, and released to the press on Mar. 4.

STATEMENT BY THE SECRETARY OF STATE

[Released to the press March 4]

For some time this Government has been endeavoring in various ways to assist in the restoration of the economy of Greece. Spurred by appeals from the Greek Government, it has been studying ways and means of providing additional assistance. This study impelled the dispatch of the economic mission headed by Paul A. Porter which is now in Greece. It has also involved consultations and exchanges of ideas with the Greek Government and the British Government, which has likewise been bending every effort to help Greece.

Recently reports from our own representatives and from the Greek and British Governments have shown that the economic condition of Greece has deteriorated to the verge of collapse. The Greek

Government has renewed its request for help. In the light of the world situation, this is a matter of primary importance to the United States. It has received the urgent attention of the President and the executive agencies concerned. It has been discussed with the appropriate congressional leaders.

I cannot say anything today regarding the action which may be taken, other than that a full public statement will be made very soon, when the executive agencies have completed their consideration of the matter. The problems involved are so far-reaching and of such transcendent importance that any announcement relating to them could properly come only from the President himself. The final decisions will rest with the President and the Congress.

Regulations Governing Restitution of Property in Poland

[Released to the press March 4]

Property in Poland, both movable and fixed, the possession of which was lost in connection with the war, may be recovered in the manner provided by the Polish Decree of March 8, 1946 if application is filed before December 31, 1947. If the person who has lost possession is dead or absent, his ancestors, descendants, brothers, sisters, and spouse may apply for restitution.

Restitution will be granted if possession was lost as the result of abandonment, confiscation, agreement with the occupation authorities, or voluntary transfer if the transfer was made to preserve the property from loss in connection with the war or the occupation. Tenancy rights to premises and buildings constituting a component part of industrial or commercial establishments, but not other tenancy rights, may be restored by the special procedure established by the decree. Possession may not be recovered of property which has been nationalized.

All persons in possession of property subject to restitution under the decree are required, under severe penalties, to place the property in the hands

of the District Liquidation Office of the province in which the property is located. This office turns over the property for administration to the ministry or local government agency appropriate for the given type of property. Upon application by the person entitled to possession, the District Liquidation Office may consent to the restitution of property by the authority administering it. An applicant failing to regain possession by this method may bring proceedings for restitution before the Court of Common Pleas in the locality in which the property is situated. These proceedings are governed by special rules, set forth in the decree, designed to give speedy relief.

Claims for restitution under the decree should not be referred to the Department of State or to the United States Embassy or Consulates in Poland but should be taken up directly with the appropriate Polish authorities. Names of attorneys who will undertake to prosecute claims will be supplied to United States citizens, upon request by the Protection of American Property Section of the State Department or by the American Embassy in Poland.

U.S. Opposes Intervention in Hungary by Soviet High Command

[Released to the press March 6]

The Government of the United States, in keeping with its undertakings as a signatory of the Yalta Declaration, its responsibility under the armistice as a participant in the Allied Control Commission for Hungary, and its determination to assist the Hungarian people toward the establishment of democratic independence as envisaged in the peace treaty with Hungary, is impelled at this time to express its feeling of concern at the political crisis which has now been precipitated in Hungary. The pattern of recent political developments in Hungary appears to threaten the right of the people to live under a government of their own free choosing, for it involves foreign interference in the domestic affairs of Hungary in support of repeated aggressive attempts by Hungarian minority elements to coerce the popularly elected majority.

Unable to achieve their political ends through normal constitutional processes, the Hungarian Communists, together with other members of the Leftist bloc, have endeavored to implicate a number of representatives of the majority Smallholders Party in a recently revealed plot against the Republic and, by demanding the withdrawal of parliamentary immunity from Smallholders deputies, to weaken the parliamentary position to which that party was duly elected by the Hungarian people. Simultaneously, police and administrative authorities responsive to the dictates of these minority elements have utilized their powers of investigation of the conspiracy not toward the expeditious judicial resolution of a threat against the state but to conduct a general campaign against their political opponents.

The Soviet High Command in Hungary has now, by direct intervention, brought the situation to a crisis. Following the refusal of the Smallholders Party to abrogate, in connection with the investigation of the conspiracy, the parliamentary immunity of Deputy Béla Kovács, until recently Secretary General of the Smallholders Party, Soviet occupation forces have arrested Mr. Kovács.

The grounds given for that arrest are allegations that he "actively participated in the formation of subversive and anti-Soviet terror groups" and "in organizing espionage directed against the Soviet Union". Despite the importance of this step, this Soviet action has been taken unilaterally without prior discussion with the United States and United Kingdom representatives on the Allied Control Commission. On the basis of its present information, the United States Government believes these grounds and the charges are unwarranted.

These developments, in the opinion of the United States Government, constitute an unjustified interference in Hungarian internal affairs, the effect of which will be to support the efforts of a small group in Hungary to substitute a minority dictatorship for a responsible administration representative of the will of the Hungarian people as expressed in free and untrammelled elections. The United States Government is opposed to this attempt to nullify the electoral mandate given by the Hungarian people.

In these circumstances, the United States Government requests that the Soviet and British representatives on the Allied Control Commission be instructed by their respective governments to join with the United States representative on the Allied Control Commission in examining, in cooperation with the Hungarian Prime Minister, the Minister of Defense, Minister of Interior, Minister of Justice, and President of the National Assembly, the facts of the present situation, including the case of Mr. Kovács and the conspiracy, and in making recommendations to the Hungarian Government as to steps which should be taken for an orderly solution. The United States Government also requests that the Soviet authorities take no further measures without consulting the United States and United Kingdom representatives on the Allied Control Commission.

The above views of the United States Government have been communicated to the Soviet Chairman of the Allied Control Commission for Hungary and to the Hungarian, Soviet, and British Governments.

License Restrictions Lifted on Trading With Germany and Japan

[Released to the press March 4]

The Secretaries of State, War, and the Treasury, and the Attorney General announced on March 4 that hereafter a license under the Trading With the Enemy Act will not be necessary to enter into current business transactions or to communicate with persons in Germany and Japan. This action was taken after consultation with the United States military authorities in Germany and Japan and was effected by including those countries in Treasury General License no. 94, and by amending Public Circular no. 25. General Ruling no. 11A and General License no. 95 were also amended to implement this decision.¹ The amendments do not, however, include relaxation of controls on transactions which involve the use of German and Japanese property blocked on December 31, 1946 and income subsequently accruing thereon, which still remain subject to vesting by the Department of Justice.

It was emphasized that this action in no way affects the need for obtaining any necessary permission from the appropriate military authorities in Germany and Japan, or for complying with all pertinent rules and regulations in effect in those areas. This program was put into effect by the interested departments in view of the fact that the Allied military authorities are now in a position to implement fully this Government's policies concerning financial and commercial business dealings with Germany and Japan by means of local controls, since restrictions imposed by the Trading With the Enemy Act were essentially the same as those now imposed by current theater regulations. It was pointed out, moreover, that controls exercised by the occupation authorities embrace transactions between Germany and Japan and all other countries, whereas the controls administered by the Treasury Department applied

only to dealings between occupied areas and persons in the United States.

Public Circular no. 25 as amended on March 4 waives the restriction of General Ruling no. 11 with respect to all enemy nationals. This means that restrictions imposed by the Treasury on communications with Germany and Japan were also lifted in coordination with the removal of restrictions heretofore imposed by the Treasury Department on current financial and commercial transactions with those countries. In the case of Germany, American businessmen dealing with persons in Germany will hereafter be subject only to those restrictions which are imposed by the theater, and which apply equally to all foreign nationals. It was noted, however, that certain restrictions on communications and censorship controls imposed by the occupation authorities remain in effect, including the prohibition on communications which constitute or authorize business or financial transactions. These restrictions are necessary in as much as no business or commercial transactions between persons in Germany and Japan, and persons outside those countries, may be effected without permission of the Allied military authorities. Furthermore, the action in no way affects the present procedure under which sales of Japanese exports in the United States are made only by the U.S. Commercial Company and German exports by the Joint Export-Import Agency and in certain cases by the U.S. Commercial Company.

The Department of State pointed out that the present theater policy of not allowing the admission of businessmen into Japan is not affected by today's announcement. It is the intention of the Supreme Commander for the Allied Powers in Japan to permit the travel to Japan of businessmen of all countries as soon as economic condition permit, and when food and housing conditions are adequate for their accommodation.

A further step in the action of March 4 was the amendment of General Ruling no. 11A.² This

¹ For texts of General Licenses, Public Circulars and General Rulings cited above, consult *Federal Register*.

² 12 *Federal Register* 1458.

amendment removes from blocking regulations property in which a German or Japanese interest has been acquired after December 31, 1946.

In this connection the Attorney General also announced that henceforth, in general, the Office of Alien Property, Department of Justice, will not vest German or Japanese interests acquired after December 31, 1946. Accordingly, persons acting under judicial supervision need no longer report German or Japanese interests acquired after December 31, 1946 and, so far as Office of Alien Property regulations are concerned, may transfer such property. Likewise, no report on form APC 56 need be filed with respect to German or Japanese interests acquired after December 31, 1946. These changes were accomplished by amendments to § 503.20-1 and § 503.7-1, and by adding a new regulation (no. 2) to § 503.40 of the Rules of the Office of Alien Property.

It was pointed out, however, that, in cases in which a property interest was acquired before December 31, 1946 by Germans or Japanese who have been within Germany, Italy, Hungary, Bulgaria, or Rumania on or since January 1, 1945, the restrictions of General Ruling no. 11A are still applicable, and such an interest would be subject to vesting by the Department of Justice. This would also be true of income on property blocked on December 31, 1946.

It was pointed out that, in addition to establishing a cut-off date, the ruling which previously applied to Germans or Japanese who had been within any of the above-mentioned countries on or after December 7, 1941, or any other country while it was designated as enemy territory, was amended to include only Germans and Japanese who have been within Germany, Japan, Italy, Hungary, Bulgaria, or Rumania on or since January 1, 1945. This modification was made since there is no evidence that any substantial number of Nazis or Japanese left Germany or Japan prior to January 1, 1945, and the former date had imposed restrictions on the accounts of *bona fide* refugees who had fled from Germany prior to that time.

General Licenses nos. 94³ and 95⁴ were also amended to redefine the term "national" for the purposes of these licenses so that any person residing in countries specified therein is now entitled to the privileges of the licenses unless he is subject to General Ruling no. 11A.

Existing policies of the occupation authorities with respect to Germany, such as the moratorium on new foreign investments, are not altered by the action.

Similar steps have recently been announced by the British authorities in London.

Further announcements concerning any changes in theater regulations and licenses will be made as soon as they are available.

Moscow Meeting of Council of Foreign Ministers

STATEMENT BY THE SECRETARY OF STATE⁵

We fully recognize that the negotiations in Moscow will be extremely difficult and the consequences momentous.

The Deputies of the Foreign Ministers have made some progress in drafting the Austrian treaty. It should be possible for the Foreign Ministers to consider the Austrian treaty provisions with the hope of completing them.

The situation regarding the German issue is quite different since the Deputies so far have been engaged only in listening to the statements of the Allied countries concerned, other than the Big Four. So we have yet to discuss and reach agree-

ments on the great fundamentals which will be the basis for the drafting of the treaty regarding Germany. If we are successful in reaching agreements on the major fundamental principles, I would be very much pleased.

It would appear now extremely doubtful whether the actual treaty draft for Germany could be completed for consideration at this conference.

³ 12 *Federal Register* 1457.

⁴ 12 *Federal Register* 1458.

⁵ Made orally on Mar. 5, 1947 at the Washington airport on his departure for Moscow.

The Good Neighbor Policy—An Application of Democracy to International Affairs

ADDRESS BY THE PRESIDENT¹

My presence here today as the guest of the great Republic of Mexico is one of the truly happy occasions of my career. I am deeply moved to be here again, among my friends and neighbors. I have wanted to return to Mexico ever since November 1939, when I visited this city and enjoyed the memorable hospitality of the Mexican Congress. To my good friend, President Miguel Alemán, and to all the people of Mexico, I say from the bottom of my heart: Thank you for your gracious welcome.

It is a common failing of many people to complain of hardships and overlook their good fortune. In the international sphere many people emphasize the disagreements that separate nations and forget the large areas of agreement that bring nations together in mutual understanding. It would be foolish to pretend that fundamental differences in political philosophies do not exist. The task of achieving permanent peace and security for all mankind is not easy, but I am certain that permanent peace and security are the goal of all peoples everywhere, whatever their language or nationality, race or creed. Because of my belief that the peoples of the world have peace as a common objective, I refuse to be discouraged by apparent difficulties. Difficulties are a challenge to men of determination.

If a realistic view of the world takes full account of the differences that separate nations, it must also take full account of the common beliefs that unite nations. Nowhere is this element of unity—unity of heart and mind—more evident than in the neighborly community of the American republics. Here we recognize clearly that, as you have stated so concisely and eloquently, Mr. President, “together we must live and together we must prosper.”

Here we have already achieved in substantial measure what the world as a whole must achieve.

¹ Delivered at Mexico, D.F., on Mar. 3, 1947, and released to the press by the White House on the same date.

Through what we call our inter-American system, which has become steadily stronger for half a century, we have learned to work together and to solve our problems by friendly cooperation and mutual respect.

We have a good-neighbor policy in common, and as a result of the sincere application of that policy we form a good-neighborhood. Our example has a salutary effect on the whole world. The success of our cherished inter-American system is a source of inspiration for the developing system of the United Nations, of which we are all members.

We are united by more than the common procedures and agencies of inter-American cooperation. All our peoples have a common belief which we call “democracy”. Democracy has a spiritual foundation because it is based upon the brotherhood of man. We believe in the dignity of the individual. We believe that the function of the state is to preserve and promote human rights and fundamental freedoms. We believe that the state exists for the benefit of man, not that man exists for the benefit of the state. Everything else that we mean by the word “democracy” arises from this fundamental conviction. We believe that each individual must have as much liberty for the conduct of his life as is compatible with the rights of others. To put this belief into practice is the essential purpose of our laws.

We know that the maximum freedom and dignity of the individual cannot be attained under a dictatorship. Freedom and dignity of the individual can be attained only under a system of law which protects the rights of individuals, and through a government made up of freely elected representatives of the people. When we have this we have a democratic government—one that is suited to a democratic way of life.

This is a simple, fundamental truth.

The good-neighbor policy, which guides the course of our inter-American relations, is equally simple. It is the application of democracy to in

international affairs. It is the application of the Golden Rule.

The good-neighbor policy applies to international relations the same standards of conduct that prevail among self-respecting individuals within a democratic community. It is based on mutual respect among nations, the respect that each accords to the rights of others, without distinction of size, wealth, or power. It is an expression of that bond of common belief which we call democracy. It is the only road into the future that will lead us to our goal of universal peace and security. Along that road we shall persevere.

The good-neighbor policy specifically includes the doctrine of non-intervention. This assures each nation freedom for its own development. My country, in common with all the American republics, pledged itself at the conference of Montevideo in 1933 and the conference of Buenos Aires in 1936 to observe the doctrine of non-intervention. What it means is that a strong nation does not have the right to impose its will, by reason of its strength, on a weaker nation. The whole-hearted acceptance of this doctrine by all of us is the keynote of the inter-American system. Without it we could not exist as a community of good neighbors. It is a binding commitment under the good-neighbor policy. It is part of the basic international law recognized by all the American republics. My own country will be faithful to the letter and to the spirit of that law.

Non-intervention does not and cannot mean indifference to what goes on beyond our own borders. Events in one country may have a profound effect on other countries. The community of nations feels concern at the violation of accepted principles of national behavior by any one of its members. The lawlessness of one nation may threaten the very existence of the law on which all nations depend.

In our domestic civil life we long ago recognized that the alternative to the rule of the strong was law established by the community. For some years now we have been seeking, with increasing success, to apply this basic concept to international relations. It is no coincidence that the effort to achieve collective world security has been concurrent with the growing acceptance of the doctrine of non-intervention. It is inspiring to note the progress we have made toward establishing a community of nations with authority to enforce

the law on delinquents. The Charter of the United Nations specifically invests the world community of nations with a measure of such authority. Within the good-neighbor community of the 21 American republics we have witnessed and are witnessing a similar constructive development, beginning at Buenos Aires in 1936 with unanimous acceptance of the principle of consultation. The development of the inter-American system was accelerated by the great work done in this city at the 1945 Conference on Problems of War and Peace, where the plan of a reorganized and strengthened system was created.

International relations have traditionally been compared to a chess game in which each nation tries to outwit and checkmate the other. I cannot accept that comparison with respect to relations between your country and mine, Mr. President. The United States and Mexico are working together for the mutual benefit of their peoples and the peace of the world. You have made me feel what I could not have doubted in any case, that I stand here, in the midst of the great people of Mexico, as a trusted friend and a welcome guest.

To you and to the people of Mexico I bring a message of friendship and trust from the people of the United States. Though the road be long and wearisome that leads to a good-neighborhood as wide as the world, we shall travel it together.

Our two countries will not fail each other.

Letters of Credence

Denmark

The newly appointed first Ambassador of Denmark, Henrik de Kauffmann, presented his credentials to the President on March 8, 1947. For the text of the Ambassador's remarks and the President's reply, see Department of State press release 178 of March 8.

THE FOREIGN SERVICE

Confirmations

The Senate on March 5, 1947 confirmed the nomination of Lewis W. Douglas to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Great Britain.

International Understanding: An Undeveloped Human Resource

BY ASSISTANT SECRETARY BENTON¹

My assignment tonight is to tell 10,000 educators about the state of understanding among the two billion inhabitants of the earth. My willingness to face such an audience on such a subject seems to mark me as a man of rare innocence—and audacity.

I am intimidated more by my theme, however, than I am by this audience. There is no task in today's world more important or more urgent than the task of achieving understanding among peoples. Such understanding has always been desirable. Today it is indispensable if we are to have any assurance that our civilization will survive. We Americans are only beginning to grasp the immensity of the task and to make the first tentative moves to meet it. Thus I address myself to my theme with humility, but with the consolation that there are no experts, that all of us are equally new to it.

You don't have to be an expert to know that world-wide understanding among ordinary people is our most important and least developed resource. There isn't much of it today. We don't know its potentialities because we have never tried to develop it. But we do know this: we had better work at international and intergroup understanding very hard and very fast. World enemy No. 1 isn't the atomic bomb, as some seem to think. World enemy No. 2 isn't Communism, or what the Communists call monopoly capitalist Fascism. World enemy No. 3 isn't disease and disaster. World enemies Nos. 1, 2 and 3 are ignorance, misunderstanding, and unwarranted mistrust. These are the breeders of hate and war.

Because international understanding begins at home I was alarmed, as I am sure this group must have been, by Benjamin Fine's remarkable report on the state of American public education in the

February 10 issue of the *New York Times*. Dr. Fine found that there has been a virtual stampede of teachers from our classrooms in the last five years. He reports that there are 70,000 unfilled teaching positions in the United States; that 125,000 practicing teachers have emergency or sub-standard certificates; that 6,000 schools will close for lack of teachers. Dr. Fine attributes the threatened disintegration of our schools to grossly inadequate salaries and to a decline in the prestige of the profession.

I am not using the phrase *understanding among peoples* in a vague or pious sense. Understanding is not as tangible or as easy to measure as a factory or a division of troops. But it is an even more real force in world affairs. Even dictators have had to acknowledge that.

True understanding among peoples can be a powerful force for peace. Misunderstanding can be a powerful force making for tension, conflict, and war.

Evidence pours into my office daily that the United States is being presented to the peoples of many countries as reactionary, imperialistic, militaristic, lawless, politically immature, unstable, rich but strife-ridden, long on mechanical ability and short on culture. Such stereotypes about America appear with insistent and monotonous regularity in countries under Soviet influence. But they appear also, with variations and in less violent form, in countries with which we have a freer exchange of information. They are potentially dangerous.

What I have said about foreign images of America has its counterpart in American stereotypes about foreign peoples. The volume of news and information from abroad now available to the American people through our press and radio is tremendous contrasted with what is available to foreign peoples about us. But we still tend to

¹ Delivered before the American Association of School Administrators, in Atlantic City, N.J., on Mar. 3, 1947, and released to the press on the same date.

think in clichés and interpret the news in terms of clichés.

Latin Americans are too often gauchos who dance the rhumba and indulge in periodic revolutions. Russians, too often, are enigmatic, stubborn, and mechanically inept. The British are a stolid though decent folk. The Chinese are philosophic coolies.

These are pleasant myths, but we can't afford them any more. We must learn that human beings everywhere are very much like us. They have personal problems very much like our own. We must learn that foreign nations have economic and social problems that may or may not be solved as we solve ours. We must learn that the political institutions of other nations have their roots in history, as have ours, and we must learn both the institutions and the history. We must learn from philosophy what is desirable, from history and politics what is possible, then apply all our resourcefulness to devising ways to make the desirable possible.

Such learning was once the province of scholars. Today it must become part of the equipment of a citizen. I am not asking for a curriculum built around courses on peace. The kind of knowledge needed by a citizen today tends to develop out of a sound, liberal education. But we must be conscious of the fact that the problems of peace and of relations among nations now supersede in importance all domestic problems. Peace is the paramount domestic issue.

In facing the world we have been particularly proud of the educational opportunities we offer our youth. But you would be disappointed, if you sat where I sit, to find that respect for our good works by observers abroad and admiration for our social, moral, and intellectual qualities, lag far behind knowledge of our economic power and our military might. Our leadership is accepted less because of our virtues than because of our physical strength.

To me the most interesting and significant statement in Dr. Fine's report is the following: the United States is spending 1.5 percent of its national income for its schools; Great Britain is spending 3 percent; the Soviet Union is spending 1.5 percent. Every major power except the United States is sharply increasing its budget for education. The contrast between the United States and the Soviet Union applies to absolute figures as well

as to percentages. The current Soviet budget, Dr. Fine tells me, shows 8 billion dollars for education, compared with the 2.5 billion dollars we are spending for our public elementary and high schools. This Russian figure does not include items for physical education, scientific institutes, and various cultural activities.

There are some things we can learn from Russia. One of them is to take education more seriously and to take ideas more seriously.

The figures Dr. Fine cites for domestic education in the three countries are roughly paralleled by their expenditures to project their ideas and information about themselves to foreign peoples. The United States today is spending 19 million dollars a year through its State Department's overseas information program to explain itself to foreign peoples. Great Britain is spending two to three times that much for the same purpose. Figures are not available for the Soviet Union, but from the scale of their activities I should judge that more money is being spent to promote Russian ideas than by all other major powers combined on their information and cultural programs in other countries. The Russians take ideas very seriously indeed.

Much of what the Russians do in the field of ideas, both at home and abroad, we would call indoctrination and propaganda rather than education and information. They would call it that too. They frankly regard facts and ideas, and the means of communicating facts and ideas, as instruments and weapons of national and revolutionary policy. Russia's leaders claim they have found in dialectical materialism something close to the final and absolute truth about history, economics, and the good society. They are intolerant of error or divergence, either in philosophy or tactics. Why should they encourage error if they claim they have the truth? These leaders go to great lengths to spread their ideas of the truth, and to attack and suppress what they regard as error.

The western democracies place the burden of determining the truth upon the individual. Through education they hope to provide the individual with the tools of reason that will enable him to recognize truth. Through a policy of freedom of information they present the issues to him for judgment. The western method is, we believe, the surest road to the truth for the long run, and

the only one which is appropriate to human dignity. It is by nature slower and more expensive. Yet we in America find ourselves slighting education at home, minimizing ideas, failing adequately to explain ourselves to other peoples, and blinking indifferently in the midst of what Secretary Marshall calls "a riot of propaganda".

I have emphasized the dark side of the picture. There are encouraging signs as well—streaks of light in an overcast sky. One is the creation of UNESCO—the United Nations Educational, Scientific and Cultural Organization. Another is the establishment in the Department of State of the Office of International Information and Cultural Affairs. A third is the passage of the Fulbright bill, under which a portion of the proceeds of the sale of our overseas surpluses may be used for educational and cultural purposes. A fourth is the developing pressure in support of world-wide freedom of information.

I want to mention UNESCO and our State Department's information office briefly. UNESCO is a David, facing a Goliath of ignorance. UNESCO obviously is not going to bring about, in a few years, the moral and intellectual revolution that is required by the age ahead of us. It can now move gradually toward a more modest goal: to help dispel, in some degree, the unwarranted fears, suspicions, and hatreds that hang like a fog over the world today.

UNESCO's most ambitious single project is a world-wide attack on the problem of illiteracy and the establishment of minimum standards of education everywhere. This is a revolutionary undertaking, but it lies at the heart of UNESCO's long-range effort. If UNESCO can contribute substantially to its solution, it will have justified its existence through this effort alone. Well over half the world's population is illiterate. Can the world achieve peace through understanding in the absence of the simplest tools of understanding, the ability to read and write? Illiterate men are pawns in a power struggle. They are also victims of an inequality so grave as to constitute a threat to peace. UNESCO will create a staff of its own, supplemented by experts from many nations, to recommend programs for combating illiteracy and to determine how best to use books, pictures, films, and radio for this purpose.

UNESCO will undertake a major effort to reduce the barriers that now obstruct the free flow

of communications among peoples. We know from bitter experience that even highly literate peoples, when they are cut off from a full, honest, and continuous account of developments among other peoples, can be propagandized and bullied into aggressive belligerency. UNESCO is to survey the restrictions on the flow of information and ideas across international boundaries and the suppression and distortion of information and ideas by any influence. It will stimulate the flow of students, teachers, scholars, and scientists across national boundaries.

In cooperation with the United Nations, UNESCO will explore the possibility of creating a world-wide broadcasting network under international auspices. Such a network might bring to ordinary people everywhere, and in many languages, an account of history, the achievements, the problems, the hopes and the aspirations, the music, and the literature of other peoples.

The operating budget of UNESCO for 1947 is 6 million dollars. This is, I should guess, one ten-thousandth of the world's military and naval expenditures this year. UNESCO cannot succeed as a self-contained entity. It can succeed only as it serves as a channel for the efforts of groups like this one everywhere.

You should interest yourselves also in the new Office of International Information and Cultural Affairs in the Department of State—the OIC. This office is designed to accomplish, on a national and bilateral basis, what UNESCO is designed to accomplish on an international and multilateral basis. Its function is to project to foreign peoples a full and fair picture of American life, and of the aims and policies of the United States Government.

The OIC observed its first birthday on January first. It has maintained small information staffs and United States information libraries used by three million people in 62 countries last year. It has exhibited non-commercial documentary motion pictures about American life to some one hundred million people overseas. It has furnished background material and full texts of official statements to editors throughout the world. It has broadcast by short wave around the clock in 24 languages. Two weeks ago today a twenty-fifth language was added—Russian.

This office has also been the focal point for a program of scientific and cultural cooperation and of exchange of students with the other American

republics. It awaits congressional authorization to extend this work to the rest of the world. The lack of this authorization, which will be requested in a bill to be introduced shortly, is one of the great gaps in our program. It is a gap which I hope Congress will shortly fill.

Our budget for these OIC activities is less than one quarter of one percent of the budget of the armed forces. There was a time last year when it seemed likely there would be no budget at all. These new activities are still not recognized by Congress and our people as an important and an integral part of the conduct of our foreign relations.

The exchange of students is an example of how we must raise our sights. No single activity in the field of international understanding promises so much for the long run as the exchange of students and teachers. If such exchanges are to be fully effective, in the sense that, in the issue between war and peace, they may actually weigh the balance or peace, they must be undertaken on a scale never before attempted. I am glad to say that, despite the overcrowding of our educational institutions, 1,000 foreign students were enrolled here in 1946. I look forward to the day when the number will be 10,000 a year. If its full potentialities are realized, the Fulbright bill will make it possible for tens of thousands of Americans to study abroad during the next 20 years. This year 74 British and 74 American elementary- and secondary-school teachers trade positions for a year. I should like to see such exchanges greatly increased and extended to other countries.

We Americans have always spent cheerfully on the cure of our diseases. We have been extremelyiggardly in spending on prevention. Every advertiser knows how much easier it is to sell a cure than to persuade people to take preventive action. The new realities of international life demand prevention. The cures of international illnesses have become too costly.

The proposed Federal budget for 1948 calls for 3 billion dollars for the Veterans Administration, which is a heritage of our past international illnesses. It calls also for 5 billion dollars to service the national debt, most of it due to the same illnesses. It provides 11.2 billion dollars for the armed forces in the event major surgery may be needed in the future. Those three items add up to two thirds of the proposed Federal budget.

It would seem we Americans should now have learned to take seriously the adage about the ounce of prevention—if only on a dollars-and-cents basis. There are those of us who believe that education and the cultivation of understanding among peoples offer the big chance for prevention. Yet the amounts our nation spends for domestic education are declining, relative to the economy; and the amounts we spend to promote international understanding are a pittance compared with the need, with the opportunity, and with the alternatives.

Chancellor Hutchins of the University of Chicago says the task the world faces is a colossal educational task. He remarked recently, "It looks hopeless, but it is not as bad as it looks. In the first place we do not know what education can accomplish because we have never tried it In the second place the means of communication are now so numerous, rapid, and cheap we can communicate it to the ends of the earth."

What contribution can you make to this colossal task? You can act in your individual roles as citizens. Through this and other organizations you can help our fellow Americans to understand the nature of the problem. You can cooperate with educational groups in other countries, through UNESCO or independently.

There are concrete steps you can take in your own communities. You can ask local editors and radio stations to give greater attention to foreign affairs. You can arrange teacher exchanges with foreign schools in your own high schools, and teacher and student exchanges through your local colleges. You can organize study groups. You can undertake surveys to determine the nature and extent of the misconceptions about foreign peoples and foreign affairs in your town or city.

Every conceivable step we Americans can take to advance understanding among peoples is not a step too many.

That, I think, is what I have tried to say tonight. That, as I conclude, is my theme. If I have a message, that must be it.

All of us realize that a new role has been thrust upon our nation involving new responsibilities and unprecedented new risks. We are not yet following this realization to its consequences in action. A beginning has been made in fashioning instruments appropriate to the new realities—instruments of action. Let us use them boldly and imaginatively.

The Treaty of Versailles and After: Annotations of the Text of the Treaty

"No treaty in history has produced so much comment, has been so freely criticized, and possibly so little read and understood as the treaty of peace signed at Versailles." This statement appears in the preface to the volume entitled *The Treaty of Versailles and After: Annotations of the Text of the Treaty*, which was released on March 15 by the Department of State.

President Roosevelt directed that this volume be prepared. He foresaw its usefulness to those directly concerned with the making of peace treaties at the end of World War II and to the many interested in studying the differences and similarities between the periods of settlement after the two wars, and he felt that current problems of peacemaking could be better understood with more perspective on the Versailles treaty of 1919 and its execution during the years that followed. He asked that the volume be factual and objective; he fully realized that as a basic reference manual it would have to be technical and documentary in character; but he hoped that it would serve as a basis for further and far more popular studies that would convey to the layman some idea of the complexities of peacemaking and the successes and failures of the peacemakers of 1919.

Vertical lines in the right-hand margins guide the reader to the actual text of the Versailles treaty as it runs through the thousand-page volume. The introduction treats briefly of the Paris Peace Conference of 1919, of the part played by the United States, of the American treaty of 1921 with Germany which followed our refusal to ratify the treaty of Versailles, and of Germany's part in the making of the treaty. The appendix contains the texts of certain other treaties related to the execution or modification of the Versailles treaty. The annotations run through the body of the volume, following the articles of the treaty. As stated in the preface the annotations have been made in order to indicate the practical effect and historical importance of the articles and only incidentally to indicate their legal meaning or historical origin. Articles which provided the basis for controversial

discussion and political action have received special attention.

The annotations relate but little of the negotiation of the treaty, which is covered in considerable detail in the Department's series, *Foreign Relations of the United States: The Paris Peace Conference*, ten volumes of which have already been released. It is planned to make this annotated edition of the treaty the thirteenth and final volume in that series. It will be sold in buckram cover by the Superintendent of Documents for \$3.25 a copy. The advance edition in blue paper will not be placed on sale.

Air-Transport Agreement With Paraguay

The Department of State announced on March 5 the conclusion of a bilateral air-transport agreement between the Government of the United States and the Government of the Republic of Paraguay signed in Asunción on February 28, 1947.¹ The agreement was signed for the United States by the Chargé d'Affaires, Leslie E. Reed, and for the Republic of Paraguay by Federico Chaves, Minister of Foreign Relations and Worship.

The agreement conforms to the general type of bilateral air-transport agreement which has been negotiated by the United States throughout the world, consisting of the principles of the Chicago standard form agreement as modified by the principles of the Bermuda agreement between the United States of America and the United Kingdom.

The agreement provides two routes for the United States air carriers: (1) the United States via Peru and/or Bolivia to Asunción and beyond (2) the United States via Brazil to Asunción and beyond. It is contemplated that Pan American Airways will operate route 2 and that Braniff Airways, Inc., will operate route 1 as provided in the Civil Aeronautics Board decision in the Latin American route case.

It was agreed that a route and traffic point to be served by a Paraguayan air carrier within the United States would be agreed upon at a later date.

¹ For text of agreement, see Department of State press release 171 of Mar. 5, 1947.

Afghanistan Seeks American Teachers

[Released to the press March 4]

Afghanistan, a country which has been visited by few Americans in its history, has requested the Department of State to find 31 American male instructors to teach at universities in Afghanistan to complement that Government's recently announced policy of making English a curricular requirement.

The request for the teachers came to the State Department from the Afghan Ministry of Education. The Department, through its International Exchange of Persons Division, has undertaken the task of canvassing American educational groups and individuals in the effort to provide the teachers. The United States Office of Education, the American Association of Teachers Colleges, educational associations, alumni groups, and several universities, including the University of Chicago and Northwestern University, have been requested by the Department to aid in filling the request. Teachers desiring to sign up will be offered a modest salary by the Afghan Government under a three-year contract, plus travel expenses both ways.

Teachers with B.A., M.A., B.S., or M.S. degrees and actual classroom teaching experience are wanted to teach the following subjects in Afghan schools: mathematics, English, physics, chemistry, biology, geography, and geology. The schools to which the teachers will be assigned are located at Kabul, the capital, and at Kandahar, center of Afghan history and Pushtu culture.

Of the thirty-one men needed, two principals are wanted as well as three experts in methods of teaching English for the Teachers College at Kabul, which trains instructors for Afghanistan's schools. At present only two American instructors are teaching at Habibya College at Kabul. They are Arthur V. Huffman of Terre Haute, Indiana, and J. Robert Fluker of Princeton, New Jersey.

The plan of the Afghan Government is to staff three colleges with American teachers. These are Habibya College in Kabul, and Ahmad Shah Baba College and Mir Wais Baba College in Kandahar. The Government plans to place the American principals in charge of the universities.

Each college in Kabul has acquired a foreign-national affiliation. Thus, Habibya College is referred to as the "American College".

At least one member of the Afghan Cabinet has seen at first hand the techniques of the American educational system. He is Mohammed Kabir Kahn Ludin, Minister of Public Works, who arrived in the United States in 1931 with the first group of Afghan students to come to America. In the United States he was graduated from Cornell University in civil engineering, after which he worked for the United States Bureau of Reclamation. Returning to Afghanistan in 1940, he rose quickly in the ranks of the Government and last year was appointed Minister of Public Works.

Few Americans have visited Afghanistan, and most have come in the past three years. Thirty-six persons, including diplomatic personnel, constitute the American colony there now.

It was not until the spring of 1942 that the United States opened a diplomatic mission there. Cornelius Van H. Engert was named the first American Minister to Afghanistan in 1942. The present Minister is Ely E. Palmer.

Despite America's late start in establishing diplomatic relations with Afghanistan, the United States received two thirds of all exports from that country during the war, and in turn sold them considerable supplies for cash.

Still another step toward broadening relations between the United States and Afghanistan came recently when the Morrison-Knudson Engineering Company signed a contract with the Afghan Government for the construction of hydroelectric engineering works on the Helmand River and for other construction projects. The construction of the Helmand dam is now in operation and additional American engineering facilities may be made available soon.

Edwin W. Pauley Resigns

In a letter to Edwin W. Pauley, dated March 7, 1947, the President accepted his resignation as the President's personal representative on reparations matters and as United States Representative on the Allied Commission on Reparations. Mr. Pauley tendered his letter of resignation on February 14, 1947.

Chicago Aviation Agreements

The Minister of Foreign Affairs of China, in a note of December 11, 1946 to the American Ambassador at Nanking, gave notice of the withdrawal of the Government of China from the international air transport agreement adopted on December 7, 1944 at the International Civil Aviation Conference in Chicago. The withdrawal becomes effective one year from the date of notice.

The Ambassador of Iran informed the Secretary of State by a note dated December 30, 1946, which was received by the Department of State on the same date, "that the signing of the Interim Agreement on International Civil Aviation, of December 1944, on the Iranian Government's behalf constitutes an acceptance of the Agreement".

THE CONGRESS

Supplemental Estimates of Appropriation and Decreases in Certain Estimates Pertaining to Appropriations of the Department of State: Communication from the President of the United States transmitting supplemental estimates of appropriation in the amount of \$8,366,000 and decreases in certain estimates in the amount of \$164,549, together with a draft of a proposed provision pertaining to appropriations of the Department of State, all in the form of amendments to the budget for the fiscal year 1948. H. Doc. 158, 80th Cong. 3 pp.

Saudi Arabia Approves Railroad Project by U.S. Firm

[Released to the press March 3]

The Saudi Arabian Legation has informed the Department of State that a report submitted to the Government of Saudi Arabia by an American engineering firm states that a proposed railroad from Riyadh to Dammam is "not only economically justifiable but also economically feasible".

The report, based on an on-the-spot survey by the firm, estimates the cost of construction of the railway at \$18,500,000 with the total expenditure at the end of a 10-year period set at \$20,500,000, taking into account maintenance expenses and anticipated revenues from the railroad.

The projected railway, plans for which were initiated by King Ibn Saud, would cover a distance of 333 miles, and would overcome such obstacles as the Abqaiq Sands and the Dahanas Sands, the former consisting of sand dunes up to 60 feet high and the latter with dunes as high as 100 feet. The Dahanas is a river of sand which is moving southwestward about 20 feet a year and which connects the two great deserts of Saudi Arabia.

The railroad is designed to integrate a country in which trade is now handled largely by camel caravans, which take approximately 11 days to travel inland over the proposed rail route.

Addresses and Statements of the Week

The President.	Peace, Freedom, and World Trade. In this issue.	Address made at Baylor University, Waco, Tex., on Mar. 6.
	The Good-Neighbor Policy—An Application of Democracy to International Affairs. In this issue.	Address made at México, D.F., on Mar. 3.
The Secretary of State.	Peace Treaties With Italy, Bulgaria, Rumania, and Hungary. In this issue.	Statement made before Senate Foreign Relations Committee on Mar. 4.
	Moscow Meeting of Foreign Ministers. In this issue.	Oral statement made in Washington on Mar. 5.
	Financial Aid to Greece. In this issue.	Statement made in Washington on Mar. 4.
Assistant Secretary Benton.	International Understanding: An Undeveloped Human Resource. In this issue.	Address made before the American Association of School Administrators in Atlantic City, N.J., on Mar. 3.
Assistant Secretary Braden.	The Basis for Action. Not printed.	Address made at the New York Herald Tribune Forum in New York, N.Y., on Mar. 8.
Warren R. Austin, U.S. Representative at the Seat of the United Nations.	The Goal of Collective Security. Excerpts in this issue.	Address made before Overseas Press Club in New York, N.Y., on Mar. 4.
James F. Byrnes, former Secretary of State.	Peace Treaties With Italy, Bulgaria, Rumania, and Hungary. In this issue.	Statement made before Senate Foreign Relations Committee on Mar. 4.

Activities in Korea and Japan Under Military Government

Summation no. 14 of non-military activities in Japan during the month of November 1946 was released to the press by General Headquarters, Supreme Commander for the Allied Powers, and by the War Department in Washington on February 23, 1947. The report indicates the latest social, economic, and political developments in Japan.

Summation no. 14 of United States Army military-government activities in Korea during the month of November 1946, which was released to the press by General Headquarters, Commander in Chief of United States Armed Forces, Pacific, and by the War Department in Washington on March 2, 1947, indicates political, economic, and social developments in Korea.

THE DEPARTMENT

Departmental Regulations

133.30 Office of Intelligence Collection and Dissemination (OCD): (Effective 2-6-47)

I FUNCTIONS. Under the general direction of the Special Assistant to the Secretary for Research and Intelligence, and pursuant to authority delegated by him, OCD is responsible, on behalf of the Department and other authorized Federal agencies, for planning and implementing programs for:

- A Acquiring and disseminating positive intelligence materials and information, including foreign publications.
- B Maintaining and servicing the central collection of positive intelligence materials.
- C Collecting materials, maintaining files, and preparing biographic intelligence reports.
- D Acquiring maps, maintaining the Department's central collection thereof, and preparing specialized maps and map intelligence reports.

II ORGANIZATION. OCD shall be composed of the following:

- A Office of the Director.
- B Acquisition and Distribution Division (IAD).
- C Reference Division (REF).
- D Biographic Information Division (BI).
- E Map Intelligence Division (MI).

III FUNCTIONS OF THE OFFICE OF THE DIRECTOR. The Office of the Director of OCD shall be responsible for planning, directing, and coordinating the work of the component Divisions of the Office.

133.31 Acquisition and Distribution Division (IAD): (Effective 2-6-47)

I FUNCTIONS. Under the general direction of the Director of the Office of Intelligence Collection and Dis-

semination (OCD) and in accordance with the over-all intelligence program established by the Special Assistant to the Secretary for Research and Intelligence, IAD is responsible for:

A Procuring intelligence materials to meet existing and anticipated needs of the Department, including the issuance of requests and directives to reporting officers in the field.

B Distributing incoming intelligence materials within the intelligence organization, and, as to materials not handled by the Division of Communications and Records (DC) or the Division of Foreign Reporting Services (FR), to the Offices of the Department and to other authorized Federal agencies.

C Coordinating in detail the intelligence acquisition program of the Department with those of other Federal agencies.

D Procuring foreign publications for various Federal agencies through Foreign Service establishments abroad.

133.32 Reference Division (REF): (Effective 2-6-47)

I FUNCTIONS. Under the general direction of the Director of the Office of Intelligence Collection and Dissemination (OCD) and in accordance with the over-all intelligence program established by the Special Assistant to the Secretary for Research and Intelligence, REF is responsible for:

A Maintaining, cataloging, indexing, and classifying by subject the central collection of intelligence materials and reports of the Department.

B Servicing requests for intelligence materials, including borrowing or arranging to borrow materials from other Federal agencies and from non-Federal organizations.

C Informing users of the receipt of new intelligence and informing the Acquisition and Distribution Division (IAD) of the needs for new intelligence materials.

D Preparing annotated bibliographies on current and long-range research and intelligence subjects.

133.33 Biographic Information Division (BI): (Effective 2-6-47)

I FUNCTIONS. Under the general direction of the Director of the Office of Intelligence Collection and Dissemination (OCD) and in accordance with the over-all intelligence program established by the Special Assistant to the Secretary for Research and Intelligence, BI is responsible for:

A Organizing systematically and evaluating factual information and opinions concerning persons in foreign countries who are of intrinsic importance or whose activities or views may be considered significant for the United States in connection with the determination and implementation of foreign policy.

B Preparing in cooperation with interested elements of the Department, reports covering the background, career, role, influence, connections, and policies of such persons.

C Participating with other elements of the Department in the development of programs for the collection and distribution of biographic intelligence.

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Contributors

Emil J. Sady, author of the article on the South Seas Conference, is Assistant in Dependent Area Affairs, Division of Dependent Area Affairs, Office of Special Political Affairs, Department of State.

John J. Charnow, author of the article on the International Children's Emergency Fund, is Assistant Chief, Social Branch, Division of International Labor, Social, and Health Affairs, Office of International Trade Policy.

Francis A. Linville, author of the article on the draft international wheat agreement, is Assistant Chief, International Resources Division, Office of International Trade Policy, Department of State.

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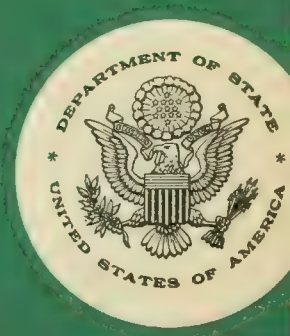
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THE INAUGURATION OF THE TRUSTEESHIP SYSTEM OF THE UNITED NATIONS

by Elizabeth H. Armstrong

and

William I. Cargo

The Trusteeship Council of the United Nations has come into operation through action of the recent General Assembly in approving trusteeship agreements for eight trust territories. The following article summarizes developments in the trusteeship field since the San Francisco Conference, discusses the principal issues which were involved in the approval of the trusteeship agreements, and indicates the organizational problems immediately faced by the Trusteeship Council.

Through the actions taken at the recent session of the General Assembly of the United Nations in New York the international trusteeship system provided for in chapters XII and XIII of the Charter of the United Nations has been established as a going concern. Trusteeship agreements for eight trust territories, administered by five members of the United Nations, were approved. The General Assembly completed the present membership of the Trusteeship Council by electing Iraq and Mexico to the Council for three-year terms. The first session of the Trusteeship Council, called for March 26, is about to convene. In view of these developments it seems useful to survey at this time the events leading to the establishment of the Trusteeship Council, to give an account of the principal issues which were involved, and to point out the prospects for the immediate future in the field of trusteeship.

As background for considering the principal substantive trusteeship matters and the difficult procedural question of "states directly concerned", it may be useful to refer briefly to the nature of the trusteeship system set forth in the Charter and to recapitulate the development of trusteeship questions since the San Francisco Conference.

THE TRUSTEESHIP SYSTEM OF THE UNITED NATIONS

The international trusteeship system established by the Charter of the United Nations at the San Francisco Conference of 1945 provides for the administration and supervision of such territories as may be placed thereunder by subsequent individual agreements.

Objectives

Article 76 of the Charter states that the basic objectives of the trusteeship system shall be:

(a) the furtherance of international peace and security;

(b) the promotion of the political, economic, social, and educational advancement of the inhabitants of the trust territories, and their progressive development towards self-government or independence;

(c) the encouragement of respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion; and

(d) the ensuring of equal treatment in social, economic, and commercial matters for all members

of the United Nations, and also equal treatment for the latter in the administration of justice.

Scope and Implementation

The Charter further provides (article 77) that the trusteeship system should apply to such territories in the following three categories as might be placed thereunder by means of trusteeship agreements:

- “(a) territories now held under mandate;
- “(b) territories which may be detached from enemy states as a result of the Second World War; and
- “(c) territories voluntarily placed under the system by states responsible for their administration.”

The somewhat ambiguous and later much disputed article 79 states that the terms of trusteeship for each territory to be placed under the trusteeship system, including any alteration or amendment of such terms, shall be agreed upon by the “states directly concerned”, including the mandatory power in the case of territories held under mandate by a member of the United Nations. The General Assembly approves the trusteeship agreements for areas not designated as strategic (article 85).

Article 81 of the Charter provides that in each case the trusteeship agreements shall include the terms under which the trust territory shall be administered and shall designate the authority which will exercise the administration over it. An administering authority may be one or more states or the organization itself.

Strategic Areas

Any trusteeship agreement may designate a strategic area or areas to include part or all of the trust territory to which the agreement applies (article 82). All functions of the United Nations relating to strategic areas, including the approval of the terms of the trusteeship agreements and their alteration or amendment, shall be exercised by the Security Council (article 83) rather than by the General Assembly. It is also specifically provided by article 83 that the basic objectives of the trusteeship system shall be applicable to the people of each strategic area. The Security Council shall, subject to the provisions of the agreements and without prejudice to security considerations, avail itself of the assistance of the

Trusteeship Council in carrying out the trusteeship functions of the United Nations relating to political, economic, social, and educational matters in strategic areas.

International Peace and Security

Under the Charter the administering authority is required to insure that the trust territory shall play its part in the maintenance of international peace and security (article 84). To this end the administering authority may make use of volunteer forces, facilities, and assistance from the trust territory in carrying out obligations towards the Security Council as well as for local defense and the maintenance of law and order within the trust territory.

Trusteeship Council

The Trusteeship Council, operating under the authority of the General Assembly, is established to assist in carrying out the functions of the United Nations with regard to trusteeship agreements for all non-strategic areas (articles 85, 86). The Trusteeship Council is to consist of:

- (a) those members administering trust territories;
- (b) such of the permanent members of the Security Council as are not administering trust territories; and
- (c) as many other members elected for three year terms by the General Assembly as may be necessary to insure that the total number of members of the Trusteeship Council should be equally divided between those which administer trust territories and those which do not.

The Trusteeship Council, under the authority of the General Assembly, may (article 87):

- (a) consider reports submitted by the administering authority;
- (b) accept and examine petitions;
- (c) provide for periodic visits to the respective trust territories; and
- (d) take these and other actions in conformity with the terms of the trusteeship agreements.

The Trusteeship Council, under article 88 of the Charter, is also charged with formulating a questionnaire on the political, economic, social, and educational advancement of the inhabitants of each trust territory, and the administering authority is obliged to make an annual report to the Ge

eral Assembly upon the basis of such questionnaire. Article 91 provides that the Trusteeship Council shall avail itself, when appropriate, of the assistance of the Economic and Social Council and of the specialized agencies in regard to matters with which they are respectively concerned.

EARLY DEVELOPMENT OF TRUSTEESHIP¹

Plans for the establishment of a trusteeship system had been considered in the Department of State and the subject had been discussed with the other governments concerned even before the Dumbarton Oaks conversations of 1944. However, it was not until the Yalta Conference held in February 1945 that it was decided to include this item on the agenda of the proposed San Francisco Conference on International Organization.²

The Yalta Conference decided that the five governments with permanent seats on the Security Council should consult each other prior to the San Francisco Conference on providing machinery in the proposed Charter for dealing with territorial trusteeships which would apply only to (a) existing mandates of the League of Nations; (b) territory to be detached from the enemy as a result of World War II; and (c) any other territory that may voluntarily be placed under trusteeship. It was further agreed that no discussions of specific territories were to take place during the preliminary discussions on trusteeship and that only the principles of trusteeship should be formulated for inclusion in the Charter. The question of which territories within the categories specified above would actually be placed under trusteeship would be a matter for subsequent agreement.³

In the course of preliminary consultations held by the Five Powers at San Francisco, proposals advanced by other delegations were also considered. After long weeks of consultations, which were held concurrently with the sessions of the Conference committee on trusteeship, a final draft was completed and approved by the Conference.⁴ The implementation of the trusteeship system, however, was left for later action.

TRUSTEESHIP DEVELOPMENTS FROM SAN FRANCISCO TO LONDON

The San Francisco Conference decided to set up a Preparatory Commission composed of all the members of the United Nations in order to implement the Charter and set the machinery of the

United Nations in motion in preparation for the first meetings of the United Nations General Assembly. Before the meeting of the Preparatory Commission its Executive Committee, composed of 14 states, commenced sessions in London in August 1945.

On October 18, 1945 the Executive Committee adopted a proposal to set up a temporary trusteeship committee as an "interim subsidiary organ" under article 22 of the Charter until a sufficient number of trusteeship agreements should be concluded. It was further recommended by the Executive Committee that the Trusteeship Council should be established as soon as the necessary conditions could be fulfilled.⁵

When the Preparatory Commission itself met on November 24, 1945 there was considerable objection to the proposal for a temporary trusteeship committee. After much debate the Preparatory Commission adopted a draft resolution which, while omitting any mention of any interim trusteeship organ, recommended that the General Assembly should adopt a resolution calling on the states administering territories under League of Nations mandate to undertake practical steps, in concert with the other states directly concerned, for the implementation of article 79 of the Charter in order to submit trusteeship agreements for approval preferably not later than during the second part of the first session of the General Assembly. In addition the Preparatory Commission revised the provisional rules of procedure for the Trusteeship Council which had been prepared by the Executive Committee.⁶

FIRST PART OF FIRST SESSION OF GENERAL ASSEMBLY

When the General Assembly met for the first part of the first session in London from January

¹ Ralph J. Bunche, "Trusteeship and Non-Self-Governing Territories in the Charter of the United Nations", *BULLETIN* of Dec. 30, 1945, p. 1037.

² *Report to the President on the Results of the San Francisco Conference*, p. 26. Washington, D.C., June 26, 1945. Department of State publication 2349.

³ *Ibid.*, pp. 128-129.

⁴ *Ibid.*, p. 132.

⁵ *Report by the Executive Committee to the Preparatory Commission of the United Nations* (PC/EX/113/Rev. 1), Nov. 12, 1945, pp. 55-56, 63.

⁶ *Report of the Preparatory Commission of the United Nations* (PC/20), Dec. 23, 1945, pp. 49-56.

10 to February 14, 1946, it considered the problems relating to the establishment of the trusteeship system. Among the most important developments were the statements by the powers holding mandates concerning the disposition of these territories. On January 17, 1946 Foreign Minister Bevin announced for the United Kingdom that preliminary negotiations to place Tanganyika, the Cameroons, and Togoland under the trusteeship system had already commenced. Mr. Bevin further declared that steps would be taken to establish Trans-Jordan as an independent state, but that proposals concerning Palestine must await the report of the Anglo-American Committee of Inquiry. The Governments of Belgium, New Zealand, and Australia also announced their intention to transfer Ruanda-Urundi, Western Samoa, and New Guinea respectively to the trusteeship system. Australia, with the concurrence of the United Kingdom and New Zealand, announced a similar course of procedure regarding Nauru. The French Government announced that it was prepared to study the terms by which Togoland and the Cameroons might be placed under trusteeship. However, a note of opposition was sounded by the Government of the Union of South Africa whose representatives stated in the General Assembly on January 17, 1946 that South-West Africa occupied a special position with respect to the Union which differentiated that territory from any other "C" mandate. Pending consultations with the people of South-West Africa regarding the form of their future government, the South African Government would reserve its position concerning the future of the mandate. In the meanwhile the Union would continue to administer the territory in accordance with the obligations and responsibilities of the mandate.

The General Assembly in its London session concluded its consideration of trusteeship problems by the adoption of a resolution on February 9, 1946 welcoming the declarations made by the Mandatory Powers and expressing the expectation that the realization of the objectives of the Charter referring to the trusteeship system, the Trusteeship

Council, and non-self-governing territories would make possible the attainment of the aspirations of non-self-governing peoples as a whole. The resolution also invited states administering mandated territories to undertake practical steps, together with the other states directly concerned, for the negotiation of trusteeship agreements.⁷

The final meeting of the Assembly of the League of Nations at Geneva in April 1946 passed a resolution concerning mandates which, after expressing satisfaction with the manner in which the League organs concerned with mandates had performed their functions, welcomed the termination of the mandated status of Syria, the Lebanon, and Trans-Jordan.⁸

The resolution further noted the expressed intention of the members of the League now administering territories under mandate to continue to administer them for the well-being and development of the peoples concerned. It also stated that this intention of the League members would be in accord with the obligations contained in the respective mandates and would be continued until other arrangements between the United Nations and the respective Mandatory Powers had been agreed upon.

CONSULTATIONS WITH THE MANDATORY POWERS

In the intervals between the London and New York meetings of the General Assembly, trusteeship drafts were prepared by the Mandatory Powers and submitted to certain other interested powers for information. Early in 1946 the United States Government received copies of proposed trusteeship agreements for Tanganyika, Togoland and the Cameroons from the United Kingdom; for Ruanda-Urundi from Belgium; and later for Togoland and the Cameroons from France; for Western Samoa from New Zealand; and for New Guinea from Australia. The United States Government communicated to each of these Mandatory Powers its comments on their proposed terms of trusteeship.

In the course of the summer of 1946 consultations concerning a number of provisions of the draft trusteeship agreements took place between experts of this Government and of the governments of the Mandatory Powers. In conversations with the United Kingdom Government the United States was represented by Benjamin Gerig, Chief of the

⁷ *The United States and the United Nations*. Report of the United States Delegation to the First Part of the First Session of the General Assembly of the United Nations, London, England, Jan. 10-Feb. 14, 1946, p. 10. Submitted to the President of the United States by the Secretary of State in Washington, D.C., Mar. 1, 1946. Department of State publication 2484.

⁸ League of Nations Resolution adopted Apr. 18, 1946.

Division of Dependent Area Affairs, and Edwin L. Smith of the Division of African Affairs; and in conversations with the Belgian Government the United States was represented by Henry S. Villard, Deputy Director of the Office of Near Eastern and African Affairs.

In its comments on the draft trusteeship proposals and in its consultations with the Mandatory Powers with regard to them, the United States particularly sought the addition of provisions which would enlarge upon the rights of the inhabitants of trust territories and specify in greater detail the obligations of the administering authority under article 76 of the Charter to insure their political, economic, social, and educational advancement. Agreement was reached with the Mandatory Powers to add a significant number of such provisions to the original draft agreements. Two of the proposals put forward by the United States were designed especially to guarantee the fundamental freedoms of the inhabitants of the territories and to set forth the obligations of the administering authority to promote the educational advancement of the inhabitants. In the trusteeship agreement for Tanganyika they are stated in the following terms:

"Subject only to the requirements of public order, the Administering Authority shall guarantee to the inhabitants of Tanganyika freedom of speech, of the press, of assembly, and of petition.

"The Administering Authority shall, as may be appropriate to the circumstances of Tanganyika, continue and extend a general system of elementary education designed to abolish illiteracy and to facilitate the vocational and cultural advancement of the population, child and adult, and shall similarly provide such facilities as may prove desirable and practicable in the interests of the inhabitants for qualified students to receive secondary and higher education, including professional training."

Such provisions appear in one form or another in each of the eight trusteeship agreements approved by the Assembly.

In many cases agreement was readily reached with the Mandatory Powers to include further provisions relating to the welfare of the inhabitants in the trusteeship drafts which they would present to the General Assembly. In some cases, however, the Mandatory Powers expressed the view that the inclusion of such clauses was unnecessary, either because the administering author-

ity was already bound by international agreements to these ends, or because it was felt that the Charter obligations automatically assumed by any administering authority were sufficiently broad to cover such matters.

Thus the process of alteration of the draft trusteeship proposals was begun well in advance of the General Assembly session in New York. Although this process was continued by the General Assembly itself, the extent of the alterations made in the draft trusteeship agreements at the Assembly stage was, except in the case of the New Guinea agreement, relatively small. That the pre-Assembly consultations between the Mandatory Powers and the United States were regarded as constructive and helpful is suggested in the comment made by Ivor Thomas, the British Representative on the Trusteeship Committee at the General Assembly in New York. As reported in the Summary Record of the 26th meeting of Committee 4 (Dec. 11, 1946), Mr. Thomas stated that "when the texts had been circulated in January, the Government of the United States had been the only one to suggest any amendments. Those had been discussed fully, with the result that some were adopted as they stood, others adopted in modified form, others were withdrawn by mutual agreement and one left over to be raised before the General Assembly. Only two articles of the original draft remained unchanged."

Two outstanding questions remained, so far as the United States Delegation was concerned, when the draft trusteeship agreements were submitted to the General Assembly in New York. The first was the thorny procedural question regarding the problem of "states directly concerned", arising from the provisions of article 79 of the Charter, and the second concerned the monopolies clauses of the draft agreements for the African mandates of the United Kingdom, France, and Belgium.

TRUSTEESHIP ISSUES AT THE SECOND PART OF THE FIRST SESSION OF THE GENERAL ASSEMBLY¹

The Question of South-West Africa

The General Assembly considered a statement presented by the Delegation of the Union of South Africa to the effect that the majority of the in-

¹ *The United States and the United Nations*. Report by the President to the Congress for the year 1946, p. 64. Department of State publication 2735.

habitants of South-West Africa favored its annexation by the Union. After a full discussion the General Assembly approved a resolution proposed by Denmark, India, and the United States. The resolution pointed out that the General Assembly did not accept as conclusive the South African Government's report on the opinion of the African inhabitants of South-West Africa regarding their future government, because the inhabitants had not yet secured political autonomy or reached a stage of political development which would enable them to express a considered opinion which the Assembly could recognize on such an important question as the incorporation of their territory. Further, the General Assembly, while noting with satisfaction that the Union Government recognized the interest and concern of the United Nations in the matter of the future status of mandated territories, rejected the proposal for annexation and recommended that South-West Africa be placed under the international trusteeship system, and invited the Government of the Union of South Africa to propose a trusteeship agreement for South-West Africa for the consideration of the General Assembly.

Issues Relating to the Content of the Trusteeship Agreements

The General Assembly referred the eight draft trusteeship agreements which it received to its Fourth Committee, which in turn appointed a subcommittee of 17 member nations¹⁰ to consider the agreements and the 229 proposed amendments.¹¹ The consideration of the trusteeship proposals involved questions both of the content of the agreements themselves and of the procedure by which the agreements were to be drawn up and approved.

Monopolies

The initial trusteeship drafts put forward by France, the United Kingdom, and Belgium for the "B" mandates in Africa authorized the administering authority to establish private monopolies under conditions of proper public control when this was in the interests of the economic advance-

ment of the inhabitants of the trust territory. Under the provisions of the mandates it was possible for the Mandatory Powers to organize essential public works and services and to create monopolies of a purely fiscal character. There was no general authority, however, to create private monopolies. The United States Government did not challenge the premise that, in certain special circumstances, a private monopoly could be in the interests of the economic advancement of the inhabitants of the territory. However, the United States took the position that a definitive step such as the granting of a private monopoly, involving considerations both as to its possible effect on the inhabitants of the territory and on the equal-treatment provisions of the Charter, should be open to consideration by the Trusteeship Council or an appropriate United Nations agency at a stage where the recommendations of such a body might be effective. At the General Assembly in New York, the United States Delegation proposed a specific amendment to the trusteeship agreements in question which incorporated this idea.¹²

Although this United States proposal was defeated in the Trusteeship Subcommittee, the detailed discussion of the question resulted in significant alterations in the original monopoly clauses proposed by the Mandatory Powers and in interpretative declarations by these powers. The Delegations of the United Kingdom and Belgium included in the trusteeship agreements a provision to insure that any private monopoly contracts would be granted without discrimination on grounds of nationality against members of the United Nations or their nationals. The French Delegation stated that under French law private monopolies were not permitted at all in the trust territories which it would administer. Moreover, the United Kingdom and Belgian Delegations made the following declarations which form a part of the rapporteur's report to the General Assembly on the trusteeship agreements:

"(a) The Governments of Belgium and the United Kingdom have no intention of using the grant of private monopolies in Trust Territories as a normal instrument of policy;

"(b) Such private monopolies would be granted only when this was essential in order to enable a particular type of desirable economic development to be undertaken in the interest of the inhabitants;

"(c) In those special cases where such private

¹⁰ This subcommittee consisted of representatives of Australia, Belgium, Canada, China, Czechoslovakia, France, India, Iraq, Mexico, the Netherlands, New Zealand, Union of South Africa, Union of Soviet Socialist Republics, United Kingdom, United States, Uruguay and Yugoslavia.

¹¹ General Assembly doc. A/C.4/Sub. 1/70, Nov. 29, 1946.

¹² *Ibid.*, pp. 62-64.

monopolies were granted they would be granted for limited periods, and would be promptly reported to the Trusteeship Council.”¹³

“Integral Part”

With the exception of the draft trusteeship agreements for Tanganyika and New Guinea, all the draft agreements submitted to the General Assembly for approval contained a provision empowering the administering authority to administer the trust territory as an “integral part” of its territory. The New Guinea draft used the expression “as if it were an integral part”. The Tanganyika draft had no such provision. It was pointed out by the states submitting the draft trusteeship agreements that the phrase “integral part” was contained in the mandate agreements and that its continuance in the trusteeship agreements would have no new significance. They further stated that the phrase carried no implication of sovereignty and that it was proposed solely for administrative convenience. Nevertheless, certain delegations regarded the use of the expression “integral part” as contrary to the spirit of the trusteeship system and felt that it revealed “annexationist tendencies”. The Soviet Union and India proposed the deletion of the phrase from each of the trusteeship agreements in which it was used. The Trusteeship Subcommittee recommended to New Zealand, whose draft for Western Samoa was considered first, that the phrase be deleted. Similar recommendations were made by Committee 4 with regard to the other trusteeship drafts which used the phrase. The New Zealand Government accepted the recommendation, but the other Mandatory Powers found themselves unable to agree to delete the phrase from their drafts and made to the Fourth Committee formal statements of the reasons underlying their refusal. Thus, in the eight agreements finally approved by the General Assembly the phrase “integral part” appears in all of the agreements except those for Tanganyika and Western Samoa.

The Soviet Delegation carried its opposition to the phrase “integral part” to the floor of the General Assembly. Before the final vote of the General Assembly approving the terms of trusteeship, the Soviet Delegation proposed a resolution advocating rejection of the trusteeship drafts partly on the grounds that they still contained the phrase “integral part”. This resolution was rejected by a vote of 34 to 6 with 11 abstentions.

The discussion in the General Assembly and its committees on the “integral part” issue served the useful purpose of clarifying the meaning to be given to this phrase. In addition to general statements made by various representatives of the Mandatory Powers that they did not understand this phrase to connote sovereignty over the trust territories, the following declarations regarding the phrase were made by France, Belgium, and the United Kingdom and inserted in the report of the rapporteur on trusteeship agreements:

“With regard to the proposed deletion of the words ‘as an integral part’ of the French and Belgian territory, as indicated by the modifications submitted to the Belgian agreement for Ruanda-Urundi and the French agreements for the Cameroons and Togoland by the Delegations of the Soviet Union and India, the Delegates for Belgium and France stated that it was the interpretation of their Governments that the words ‘as an integral part’ were necessary as a matter of administrative convenience and were not considered as granting to the Governments of Belgium and France the power to diminish the political individuality of the Trust Territories.

“The Delegate for the United Kingdom informed the Sub-Committee that the retention of the words ‘as an integral part’ in the Trusteeship agreement for Togoland and Cameroons under British administration did not involve administration as an integral part of the United Kingdom itself and did not imply British sovereignty in these areas.”¹⁴

Military Establishments

The powers of administering authorities with respect to the establishment of bases and the use of armed forces in trust territories emerged as one of the most serious issues confronting the General Assembly in its consideration of the eight draft trusteeship agreements.

All eight of the draft trusteeship agreements contained similar military clauses entitling the administering authority to establish bases and to station armed forces in the trust territory. The debate in the General Assembly was, therefore, a general one, based on Soviet, Indian, and Chinese amendments proposed to article X of the New Zealand agreement, article 5(c) of the three Brit-

¹³ General Assembly doc. A/258, Dec. 12, 1946, p. 6.

¹⁴ *Loc. cit.*

ish agreements, article 5 of the Belgian agreement, and article 4(b) of the French agreements.

The position taken by these delegations opposing the military clauses was that article 84 of the Charter does not empower the administering authority, in the interest of international peace and security, to establish military bases or station armed forces in a trust territory. Such powers, it was contended, would be an extension of article 84 under which administering authorities were restricted to the use of "volunteer forces, facilities, and assistance", and further restricted by their obligations toward the Security Council. They asserted that the use of volunteer forces, facilities, and assistance would be possible only with the agreement of the Security Council. If the administering authority found it necessary to establish bases and employ forces in a trust territory the territory would, thereby, become a strategic area; its administration and the approval of the trusteeship agreement would therefore fall within the jurisdiction of the Security Council under articles 82 and 83 of the Charter. It was also contended that obligations undertaken toward the Security Council would have to be governed by article 43 of the Charter and that no bases could be established in trust territories, or troops employed, until the special agreements, negotiated on the initiative of the Security Council under article 43, had been concluded. In this connection it was pointed out that the terms of the mandates did not permit fortification of the mandated territories.

The Mandatory Powers, supported by the United States, Canada, the Netherlands, and Uruguay, held that the Soviet, Indian, and Chinese proposed amendments were unacceptable and that article 84 made it not only the right but the duty of an administering authority to insure that the trust territory play its part in the maintenance of international peace and security. This duty, it was pointed out, was inserted in the Charter deliberately for the benefit of the inhabitants of the trust territories. They should not, in the future, be left unprotected as they had been under the mandates system and must be encouraged to play their part in the system of international peace and security. Among the means by which this could be accomplished might be the use of volunteer forces, facilities, and assistance from the trust territories, in accordance with articles 84 and 43 of the Charter. However, the administering authority

would still have the specific duty to ensure the territory's participation in the maintenance of international peace and security, notwithstanding any delay in the conclusion of the special agreements contemplated in article 43. Since the administering authority has this specific obligation, it has a corresponding right to the means of discharging it. The Mandatory Powers were unanimous in their view that the proposed military clauses were consistent with the Charter and that the establishment of military bases would have to be left to the discretion of the administering authority.

After lengthy debate of the military clauses of the trusteeship agreements, both the Trusteeship Subcommittee and Committee 4 sustained the original language of the draft trusteeship proposals.

The Soviet and Indian Delegations carried their opposition to the floor of the Assembly during the final consideration of the draft agreements. The Indian Representative, explaining the reason for his Delegation's abstention from voting on the agreements, reiterated his objection to the creation of military fortifications without the approval of the Security Council.

The Soviet resolution calling on the General Assembly to reject the draft trusteeship agreements as having been drafted contrary to the fundamental requirements of the Charter contained, as one of the three principal Soviet objections to the agreements, the statement that " . . . the proposed draft agreements provide as one of the terms the establishment in Trust Territories of military, naval and air bases, without the Security Council's consent, which is contrary to Article 83 of the Charter, which requires the consent of the Security Council for the establishment of military, naval and air bases in Trust Territories". The Soviet resolution was rejected by the Assembly by a vote of 6 for and 34 against, with 11 abstentions.

The Procedural Issue: "States Directly Concerned"

The language of article 79 of the Charter led to the principal procedural issue involved in drawing up and approving the trusteeship agreements. Article 79 provides, in part, that "The terms of trusteeship for each territory to be placed under the trusteeship system . . . shall be agreed upon by the states directly concerned, including the mandatory power in the case of territories held under mandate by a Member of the United Na

tions. . . ." The importance of the "states directly concerned" in this procedural conception is readily apparent. Although this matter was clearly of less importance with respect to the operation of the trusteeship system than the terms of the trusteeship agreements themselves, it was an important hurdle which had to be surmounted if chapters XII and XIII of the Charter were to be given effect and the Trusteeship Council brought into operation.

The San Francisco Conference established in articles 79, 83, and 85 of the Charter the procedure by which territories may be placed under the trusteeship system of the United Nations. Article 83 relates to strategic trusteeship agreements and was therefore not applicable to the eight draft agreements considered by the recent General Assembly. Article 85 provides in clear terms that the General Assembly shall approve trusteeship agreements which are non-strategic in character. The interpretation of this article presented no difficulties. It was article 79 which contained the crux of the procedural problem.

No clear indication is offered either by the Charter itself or by the records of the San Francisco Conference, which drew up the Charter, as to the meaning of the phrase or the method by which the "states directly concerned" mentioned in article 79 should be determined. The great difficulties which would attend any effort to define the "states directly concerned", either concretely in any given case or abstractly by means of criteria, became apparent as early as the meetings of the Preparatory Commission of the United Nations in November and December 1945. The diverse opinions which were expressed on "states directly concerned" during the Preparatory Commission and the first part of the first session of the General Assembly drew attention to the possibility, indeed danger, that the trusteeship provisions of the Charter could not be implemented at an early date, perhaps not at all, if it should be considered necessary to identify the "states directly concerned" with respect to each trust territory for which a trusteeship agreement might be put forward. So far as the United States was concerned, this feeling was confirmed by its exchanges of communications and consultations with the Mandatory Powers early in 1946. Accordingly, the United States, which at the San Francisco Conference had understood that the "states directly concerned" would be

determined by diplomatic negotiation and that these states might conclude prior agreements, came to favor a simplified procedure.

Speaking on behalf of the United States Delegation to the General Assembly, John Foster Dulles on November 7, 1946 placed the whole procedural problem relating to "states directly concerned" before the Trusteeship Committee of the Assembly. After pointing out the numerous possible interpretations of the phrase "states directly concerned" and the great difficulty of arriving at any agreed interpretation, Mr. Dulles put forward the following proposal:

"In the light of these considerations the United States Delegation urges that the Assembly, and this Committee on its behalf, should not become involved in all these questions. We prefer a practical procedure which, in harmony with the letter and spirit of the Charter, will, as quickly as possible, permit the establishment of the trusteeship system and the giving to the inhabitants of the trust territories the benefit of that system. Concretely, we propose:

"1. That a small subcommittee of this Committee should be established to consider the draft trusteeship agreements before us and to negotiate on our behalf in relation to them;

"2. That all states which are interested be given the opportunity promptly to submit to this subcommittee and to the mandatory power involved their suggestions regarding these proposed trusteeship agreements;

"3. That after hearing such suggestions and after consultation with the subcommittee, the mandatory power concerned shall promptly advise the subcommittee as to the acceptability of those suggestions;

"4. That the agreements reflecting any such modifications shall then be considered by this Committee and referred by it to the General Assembly with the recommendation of this Committee, in each case, as to approval or disapproval.

"Under this procedure every state which is interested, whether or not technically a state 'directly concerned', whether it be large or small, whether it be near or far, will have an equal opportunity to present its views. All would, however, without prejudice to any rights they may possess, now forego formal classification as being, or not being, states 'directly concerned', and would forego formal signature of the preliminary agreement,

accepting the verdict of a two-thirds vote of the Assembly.”¹⁵

The Trusteeship Committee followed the suggestion put forward by the United States Delegation and selected a subcommittee which undertook the initial consideration of the eight draft trusteeship agreements. Moreover, the solution which was ultimately reached regarding the procedure to be followed with respect to “states directly concerned” was along the lines suggested in the final paragraph of the proposal quoted above.

In the subcommittee’s consideration of the draft trusteeship agreements the question of “states directly concerned” was raised owing to the fact that the preambles of the draft agreements stated that the provisions of article 79 had been complied with. Certain delegations, including principally the Soviet Delegation, contended that the Charter provisions had not been fulfilled, and called for an attempt to define the “states directly concerned”. At the request of the Chairman of the subcommittee the Delegates from the Soviet Union and the United States undertook consultations in an attempt to find an agreed solution to the problem. Following the announcement that these consultations had been unsuccessful the subcommittee, on the initiative of the United States Delegation, approved the following proposal regarding “states directly concerned”:

“Approval of any terms of Trusteeship by this session of the General Assembly should be on the following understanding with respect to ‘states directly concerned’:

“All Members of the United Nations have had an opportunity to present their views with reference to the terms of Trusteeship now proposed to the General Assembly for approval. There has, however, been no specification by the General Assembly of ‘states directly concerned’ in relation to the proposed Trust Territories. Accordingly, the General Assembly in approving the terms of Trusteeship does not prejudice the question of what states are or are not ‘directly concerned’ within the meaning of Article 79. It recognizes that no state has waived or prejudiced its right hereafter to claim to be such a ‘state directly concerned’ in relation to approval of subsequently proposed Trusteeship agreements and any alteration or amendment

of those now approved, and that the procedure to be followed in the future with reference to such matters may be subject to later determination.”¹⁶

This statement was approved by an overwhelming majority of the full Trusteeship Committee of the General Assembly and constitutes, therefore, the understanding on which the Assembly approved the eight trusteeship agreements.

APPROVAL OF THE TRUSTEESHIP AGREEMENTS BY THE GENERAL ASSEMBLY

After long weeks of discussion the subcommittee approved the eight draft agreements and referred them to the Fourth Committee where they were approved by a vote of 35 for, 8 against, with no abstentions.

At the sixty-third plenary meeting of the General Assembly on December 13, 1946 the Soviet Delegation moved a resolution calling on the Assembly to reject the draft trusteeship agreements as having been drafted contrary to the fundamental requirements of the Charter. The three principal grounds asserted were: (1) that the states directly concerned had never been specified; (2) that the agreements made the trust territories an integral part of the administering power; and (3) that the agreements did not provide for approval by the Security Council of military arrangements in the trust territories. This resolution was defeated by a vote of 34 against, 6 for, with 8 abstentions. The eight trusteeship agreements were then approved by the General Assembly by more than the required two-thirds vote. The United States Delegation voted in favor of all eight agreements. Opposing votes were cast by the Delegations of the Soviet Union, Byelorussia, Ukraine, Yugoslavia, and Liberia. The Polish Delegation also voted in the negative except in the case of the French agreements on which it abstained from voting.

The territories thus placed under the trusteeship system, with their administering authorities, are as follows:

<i>Trust territory</i>	<i>Administering authority</i>
Cameroons (British)-----	United Kingdom
Cameroons (French)-----	France
New Guinea-----	Australia
Ruanda-Urundi-----	Belgium
Tanganyika-----	United Kingdom
Togoland (British)-----	United Kingdom
Togoland (French)-----	France
Western Samoa-----	New Zealand

¹⁵ BULLETIN of Dec. 1, 1946, p. 993.

¹⁶ General Assembly doc. A/258, Dec. 12, 1946, p. 13.

THE ORGANIZATION OF THE TRUSTEESHIP COUNCIL

By approving the eight trusteeship agreements the General Assembly made possible the establishment of the Trusteeship Council, the last major organ of the United Nations to be set up. On December 14, 1946 the General Assembly elected Mexico and Iraq to the Trusteeship Council in order to balance the number of non-administering states with the number of administering states as required by the Charter. The Soviet Delegation again stated the view that the trusteeship agreements were contrary to the Charter, and contended that they could not be used as a basis for the creation of the Trusteeship Council. Accordingly, the Soviet Delegation did not participate in these elections.

The 10 members of the Trusteeship Council are:

<i>Administering states</i>	<i>Non-administering states</i>
Australia	China
Belgium	Iraq
France	Mexico
New Zealand	United States
United Kingdom	Union of Soviet Socialist Republics

The first meeting of the Trusteeship Council is scheduled for March 26, 1947. Francis B. Sayre, former Assistant Secretary of State and former High Commissioner to the Philippines, has been appointed as the United States Representative on the Council. The provisional agenda for this meeting, communicated to the 10 members of the Council by the Secretary-General, is largely composed of items relating to the essential business of organizing the Council and its trusteeship activities. It includes the adoption of rules of procedure; the formulation of questionnaires on the political, economic, social, and educational advancement of the inhabitants of each trust territory; the consideration of such petitions concerning trust territories as may have been presented; and the consideration of the relations between the Trusteeship Council on the one hand and the Economic and Social Council and the specialized agencies on the other. The Council will also consider items falling within its competence proposed by any member of the United Nations and will schedule its future work and sessions.

FORMER JAPANESE MANDATED ISLANDS: STRATEGIC TRUSTEESHIP

A further significant development in the trusteeship field was the announcement by President Truman on November 6, 1946 that the United States was prepared to place under trusteeship, with the United States as administering authority, the Japanese Mandated Islands and any Japanese islands for which it assumes responsibility as the result of the second World War. Copies of a draft trusteeship agreement for the former Japanese Mandated Islands were transmitted on the same date for information to the other members of the Security Council and to New Zealand and the Republic of the Philippines. On February 26, 1947 Warren R. Austin, United States Representative at the seat of the United Nations, formally submitted the United States trusteeship proposals to the Security Council together with an article-by-article commentary on the draft agreement.¹⁷ The Security Council on March 7 began the consideration of the United States draft proposals.¹⁸ This draft trusteeship agreement was submitted for approval by the Security Council rather than by the General Assembly, because under its terms the territory is designated as strategic. This is in accordance with articles 82 and 83 of the Charter.

CONCLUSION

As a result of intensive planning and cooperative action among members of the United Nations extending over a period of several years, the United Nations has put into operation its international trusteeship system. The effectiveness with which the Trusteeship Council will operate toward the achievement of the objectives of the trusteeship system as set forth in the Charter can be judged and tested only by time and experience. Meanwhile, the dependent peoples of the world and the members of the United Nations, who recognize the relationship between the advancement of non-self-governing peoples everywhere and the maintenance of international peace and security, will carefully observe the manner in which the international trusteeship system functions.

¹⁷ For the text of Mr. Austin's statement and the commentary on the draft agreement, see BULLETIN, Mar. 9, 1947, p. 416.
¹⁸ A survey of developments concerning the former Japanese Mandated Islands will appear in a subsequent issue of the BULLETIN.

COUNCIL OF FOREIGN MINISTERS

Moscow Meeting of the Council of Foreign Ministers: Discussions on Germany

STATEMENTS BY THE SECRETARY OF STATE

German de-Nazification¹

Since the beginning of the occupation of Germany de-Nazification has been a basic objective of U.S. military government.

In the determination to stamp out Nazism in the U. S. zone the American officials went far beyond the requirements laid down by the Control Council directive. Every possible effort is being taken to apprehend war criminals and other persons who have committed crimes against peace and humanity and to bring them to trial. Five thousand suspects are now being held by U.S. military government for investigation. No members of organizations convicted by the International Military Tribunal have been released pending final determination of their cases by de-Nazification tribunals. At present 48,000 or more members of the SS Corps, of political leaders, Gestapo, and other Nazis are interned awaiting trial.

The German law for liberation from National Socialism and militarism enacted by the three *Länder* or provinces of the U.S. zone is just, but it is more strict and comprehensive in its application and scope, we think, than de-Nazification procedures in the other zones. The law is administered by some 450 tribunals, staffed with persons known to be anti-Nazis, who to date have tried more than 200,000 persons. It is enforced by more than 14,000 persons and is closely supervised by U.S. military-government officials. Under this law about 12,000,000 persons were registered for investigation.

The law observes the principles of justice by providing for a fair and effective procedure for judging every individual according to the degree of his responsibility for the wrongs committed during the Nazi regime; it imposes definite sanctions de-

signed to prevent persons found to be guilty from holding any position other than that of ordinary labor, and it grants opportunities for rehabilitation to lesser offenders and for reintegration into the community of merely nominal participants in the Nazi movement.

No exceptions are made because of individual administrative efficiency or for reasons of political expediency; the number of persons removed and excluded from public and important private offices because of Nazi affiliations exceeds 370,000; the screening of the entire adult population insures that no active Nazi can escape the punishment he deserves. In the U.S. zone former Nazis are not allowed to join political parties nor are exceptions allowed for former Nazis who are now willing to cooperate actively with the present system in Germany. Furthermore, all members of the Nazi Party have been removed from public office and positions of influence in private enterprise.

The law is supported in our zone by all political parties and by the trade unions; it was cited as a model of justice by the International Military Tribunal, and its substantive provisions were adopted by all four powers of occupation and embodied in control directive no. 38.

The American policy has been consistent and the program severe but just. The amnesties recently enacted in the American zone do not constitute a relaxation of our efforts to stamp out Nazism. These measures apply only to youths and invalids and other people in the lowest income group who did not profit from the Nazi movement and cannot be regarded as Nazis in the meaning of the Control Council directive.

There is nothing to conceal. The monthly reports submitted to the Control Council analyze in detail the progress made in the field of de-Nazification in the U.S. zone. In addition the U.S.

¹ Made on Mar. 13, 1947, and released to the press in Moscow on the same date.

zonal directives and instructions were furnished to the other powers. The Control Council has not received complete information regarding the implementation of quadripartite directives in the eastern zone, nor full reports regarding results of de-Nazification in that part of Germany.

My Government is opposed to the use of de-Nazification as a political instrument to favor any German political party in the American zone. Active Nazis are prohibited from joining political parties, but we have been disturbed by frequent reports that in the Soviet zone former active Nazis may be cleared by the process of joining the Socialist Unity Party.

The Control Council report to the Council of Foreign Ministers on de-Nazification reveals that de-Nazification laws and directives have been varying implemented in the zones of occupation and in accordance with each zone commander's interpretation of quadripartite policies and pronouncements upon the subject. This has resulted in lack of uniformity both in procedures and in the severity of sanctions and restrictions imposed. Under the circumstances there is distrust among the occupying powers as to the sincerity of the de-Nazification efforts of the others, a reluctance to give full faith and credit to de-Nazification decisions made in other zones, and a tendency for incriminated persons to migrate from one zone to another in which de-Nazification is believed to be less strict.

To remedy this situation the United States Delegation wishes to submit the following resolution for adoption by the Council of Foreign Ministers:

"The Council of Foreign Ministers notes the report of the Control Council on denazification and concludes that uniformity of denazification practices and procedures throughout Germany is imperative. It instructs the Allied Control Council to direct the appropriate German authorities to enact a uniform German law based on Control Council directive no. 38 to assure equal and just treatment of all persons in accordance with the degree of their responsibility, said German legislation to be effective unless disapproved by the Allied Control Council."

Liquidation of War Plants in the American Zone¹

I should like to comment again on demilitarization. We are all agreed, I believe, that those plants

built and used for direct war production, the so-called "pure war plants" of category I, should be destroyed so far as special-purpose war equipment is concerned, and the general-purpose peacetime equipment dismantled and distributed as reparations. This includes the six classes of war production, namely: Tank plants, general-armament plants, aircraft plants, war-explosives and shell-filling plants, poison-gas plants, and underground plants.

In the American zone the destruction of the war equipment in these plants has been largely completed, and more than two thirds of the plants have been completely dismantled. I am submitting to this Council the name and location of each of the war plants located in the American zone, showing the status of the work on the elimination of each plant. Eighty of the one hundred and seventeen plants have been 100 percent liquidated; work on all the remaining plants is in progress and will be virtually completed this year, most of it in the next few months.

Category II includes plants in those industries which have been prohibited to Germany. Many of these industries, such as synthetic fertilizer, synthetic gasoline, and synthetic rubber, will only be removed when German exports are sufficient to pay for the necessary amounts of these products to be imported from abroad. For the time being they are therefore continued in operation. This procedure has been agreed to on a quadripartite basis in the reparations plan itself. No date for removal of these industries can be set at this time. In addition, further consideration of the level-of-industry agreement may affect certain of the industries in category II.

Categories III and IV cover generally those plants which among other products might be utilized to produce a prohibited material. The plants themselves are primarily intended for peacetime requirements. The industries in the last three categories are necessarily bound up with the over-all problem of reparations, the level of industry, and the economic unification of Germany. Their disposition can finally be determined only after decisions in these fields have been reached.

[Attached list of plants has been omitted.]

¹ Made on Mar. 14, 1947, and released to the press in Moscow on the same date.

Total number of ex-members of the German armed forces in U.S. custody¹

According to information received from the office of the Military Governor, U. S. zone, Germany, on 13 March 1947 the total of ex-members of the German armed forces under the United States control and outside Germany is 15,103 at the present time. These are disposed as follows:

In the United States-----	103
(These are either sick in hospitals or confined for criminal offenses.)	
In France-----	1, 175
(All in labor service units working with U. S. Graves Registration Service.)	
In Italy-----	13, 825
(These have been held due to transportation and labor-replacement problems but are being repatriated and discharged at an approximate rate of 1,000 per week.)	

There are in the U. S. zone, Germany, a total of 15,873 German prisoners of war excluding those held as war criminals. These German prisoners of war are almost all being processed for discharge.

The target date for completion of the discharge of substantially all the German prisoners of war under U. S. control is June 1947.

Reconstruction of Germany on a Democratic Basis²

The Berlin Conference instructed the Allied Control Authority "to prepare for the eventual reconstruction of German political life on a democratic basis and for eventual peaceful cooperation in international life by Germany". We believe that that directive should be made more precise so as to assure unity of procedure within the different German zones.

I realize that the word *democracy* is given many interpretations. To the American Government and citizen it has a basic meaning. We believe that human beings have certain inalienable rights, that is, rights which may not be given or taken away. They include the right of every individual

to develop his mind and his soul in ways of his own choice, free of fear or coercion—provided only he does not interfere with the like right of others. To us a society is not democratic if men who respect the rights of their fellow men are not free to express their own beliefs and convictions without fear that they may be snatched away from their home and family. To us a society is not free if law-abiding citizens live in fear of being denied the right to work or deprived of life, liberty, and the pursuit of happiness.

We believe that the reconstruction of Germany on a democratic basis as called for by the Berlin Conference requires that basic law within each German state and the practice of the occupying authorities should assure such rights to every individual and effectively prevent any government or group, however powerful or however numerous, from taking such rights from or imposing such fears on any individuals, however weak or however few. We believe that the present control of Germany by the Allies gives us a unique opportunity to demonstrate to the world the sincerity of the democratic goals which were proclaimed in the Atlantic Charter and the Charter of the United Nations.

Unfortunately the Allied Council has not yet been able to agree upon the guaranties necessary to assure political and economic freedom in all parts of Germany. In consequence there has been no uniform preparation of the Germans in the different zones for the political reconstruction of Germany.

In the first place, it seems clear that there has not been a uniformly effective guaranty of civil rights in all parts of Germany. The protection of the individual in the modern state rests upon the constitutional guaranties of his basic rights and liberties. I assume my colleagues will agree that adequate guaranties of these basic rights of the individual should be contained in every German constitution.

In the second place, there has been no uniformly effective guaranty of the rights of political parties in all parts of Germany. Freely constituted political parties should be insured the right to participate in a free competitive election system in which each is accorded equal opportunity to present its views, to win adherents, and to obtain just representation.

¹ Made at Moscow on Mar. 14, 1947, and released to the press in Moscow on the same date.

² Made at Moscow on Mar. 14, 1947, and released to the press in Moscow on the same date. The text of the statement was broadcast to all parts of the world in 25 languages on Mar. 15 and 16 by the Voice of the United States of America, operated by the Office of International Information and Cultural Affairs of the Department of State.

In the third place, there is no uniformly effective guaranty of the rights of free trade unions in all parts of Germany. The rights of free and autonomous trade unions to carry on customary trade-union activities in accordance with the wishes of their members should be clearly established.

In the fourth place, there is no uniformly effective guaranty of the freedom of the press and radio in all parts of Germany. There is, in the opinion of the American Government and the American people, a vital connection between modern democracy and a free press and radio. Governmental domination and manipulation of information media in the interest of the Nazi Party were powerful weapons in the hands of the anti-democratic Nazi regime. If anti-democratic ideologies are to be forever eliminated in Germany we must certainly permit the people of that nation to enjoy an unrestricted access to information obtained by means of all media of public information, including press, radio, book and magazine publications, films, theater, and music.

In the fifth place, there is no uniformly effective guaranty of freedom of movement for persons and goods throughout Germany. Such freedom is essential to the development of a sound political and economic life in a peaceful Germany. The original reasons for restricting movement of Germans internally no longer exist. The German military forces have been disbanded, the great majority of war criminals have been apprehended, the Nazi organizations have been broken up, and active Nazis and subversive elements are under necessary control and surveillance. Since the reasons for restricting free movement no longer prevail, it seems to us that the time has come to terminate any such restrictions that now exist.

I am sorry that the Allied Control Council has delayed in taking the necessary action to insure the observance of these prerequisites to the agreed political and economic objectives. We will never democratize Germany by the mere negative process of depriving Nazis of their positions and influence. We must rather take an active part in the establishment of the essentials which I have outlined and proceed to restore German economic and political life upon the foundation which they provide.

To make substantial progress in this direction, common agreement among us is essential. The United States Delegation regards the principles I

have outlined as of fundamental importance. I shall later circulate a proposed directive on the subject which I hope will have your sympathetic consideration.

Territorial Reorganization Inside Germany¹

The Potsdam agreement provides that "The administration of affairs in Germany should be directed towards the decentralization of the political structure and the development of local responsibility", that local self-government should be restored throughout Germany on democratic principles, and that representative and elective principles should be introduced into regional, provincial, and state (*Land*) administration as rapidly as progress in local self-government should justify it.

It is the view of the United States that when common objectives have been agreed upon by the four occupying powers the absence of any agreement necessary to the implementation of these decisions, far from preventing one or more occupying powers from doing what they can singly or jointly to advance these common objectives, imposes upon them the obligation to do their utmost to achieve the maximum of progress in the direction to the common objectives.

Pursuant to these Potsdam decisions, elections have been held in the ² during the year 1946 in the small towns, the counties, the cities, and finally for state legislatures under constitutions freely developed by the Germans subject to the approval of the United States military government.

By proclamation of the zone commanders 19 September 1945 U.S. military government established three *Länder* in its zone. In the only case where a former *Land* was almost wholly in the U.S. zone, namely, Bavaria, the *Land* was established on the administrative boundaries as they existed prior to the occupation. In the case of Württemberg-Baden, Hesse, and Bremen, certain changes were made, primarily because of the fact that occupation zones cut across the traditional administrative lines. Certain consolidations were also required for the purpose of sound administration.

The establishment of these areas in the U.S. zone as states for administrative purposes is provisional, and it may be anticipated that, when present

¹ Made on Mar. 15, 1947, and released to the press in Moscow on the same date.

² Garbled.

artificial boundary lines between zones are removed, certain of these states will seek more normal boundaries based upon cultural, economic, and historic considerations. The approval which military government gave to the constitutions was made expressly subject to the international agreements to which the United States Government is a party, to quadripartite legislation, and to the powers which military government must reserve in order to effectuate the basic policies of the occupation.

The question of territorial and administrative organization within the German boundaries will come before us again when we discuss the problem of a provisional German government, and at this time I think we need do no more than to note the action as appearing in the report and accept the report as rendered.

Displaced Persons in Germany¹

The problem of displaced persons in Germany was not included on the agenda for this session as agreed in New York but was discussed in the report of the Allied Control Council. It involves one of the most tragic consequences of the war. The people and Government of the United States have, for the sake of humanity and civilization, the most direct and intense interest in the speedy rehabilitation and resettlement of these human beings caught in the backwash of war. Many evidences of the sympathetic view which the American Government and people take of their problems have already been given.

The attitude of the United States Government on this difficult problem is well known. The matter has been extensively debated in the United Nations, where Mrs. Roosevelt at both the London and New York meetings of the General Assembly expressed the policy of the American Government. There is nothing in the report of the Allied Control Council which has led us to change that attitude. The Soviet charges made here were largely made there, and answered there.

As a result of decisions taken in the United Nations, of which all governments represented in this Council are members, progress is being made toward the establishment of the International

Refugee Organization. The United States Government is giving its full support to this effort to mitigate the sufferings of thousands of helpless victims of the war. It is the hope of the U.S. Delegation that rapid progress will follow in establishing the International Refugee Organization, and further that it will be successful in its efforts to solve this problem.

The International Refugee Organization has been founded to find a solution for this difficult problem. If the Council attempts to deal with it here, it may complicate rather than help the efforts of the International Refugee Organization.

News From Meeting of Council of Foreign Ministers To Be Broadcast

The Department of State announced on March 11 that reports on the meetings of the Council of Foreign Ministers, now under way in Moscow, will be broadcast to all parts of the world in 25 languages over the Voice of the United States of America, the global short-wave radio network operated by the Department's Office of International Information and Cultural Affairs.

David Penn, special correspondent of the Voice of the United States of America, is filing from Moscow a daily basic report which is distributed to the 25 language desks of the Department's radio studios in New York for translation and broadcast in the various languages at scheduled times, differing for different parts of the world. In addition, editorial comment on the conference from newspapers throughout the United States will be broadcast in the various languages.

Each language desk faces the problem of fitting each news report into program schedules that are long and frequent in some areas and short and infrequent in other areas. For example, the Voice of the United States of America is broadcast to Latin America for 12 hours a day, to Germany for 3 hours a day, to France for 2 hours a day, and one hour a day each to China and to the Soviet Union.

The broadcasts are carried over 36 short-wave transmitters on the east and west coasts of the United States, and are relayed through transmitters at Munich, Algiers, and Honolulu. These short-wave broadcasts frequently are rebroadcast on medium wave by national networks in France, Italy, China, and the nations of Latin America.

¹ Made on Mar. 15, 1947, and released to the press in Moscow on the same date.

Summary Statement by the Secretary-General

MATTERS OF WHICH THE SECURITY COUNCIL IS SEIZED AND THE STAGE REACHED IN THEIR CONSIDERATION¹

9. *The First Report of the Atomic Energy Commission*

Consideration of the Report was commenced at the one hundred and fifth meeting of the Council on 13 February 1947, and the Representative of Canada was invited to participate in the discussion.

The discussion continued at the one hundred and sixth, eighth, tenth, twelfth and fifteenth meetings on 14, 18, 20, 25 February and 5 March. At the one hundred and eighth meeting, the Representative of the Union of Soviet Socialist Republics submitted amendments and additions to the Report (document S/283).

At the one hundred and twelfth meeting, the Representative of the United States submitted a draft resolution providing that the record of the Security Council's consideration of the Report be transmitted to the Atomic Energy Commission and urged the Commission to continue its inquiry to develop as promptly as possible the specific proposals called for by Section 5 of the General Assembly Resolution of 24 January 1946 and in due course to prepare and submit a draft treaty or convention incorporating its ultimate proposals.

10. *Incidents in the Corfu Channel*

The discussion was resumed at the one hundred and seventh meeting on 18 February and

continued at the one hundred and ninth, eleventh and fourteenth meetings on 19, 24, and 27 February, the Representative of Albania participating. The Council adopted a resolution submitted by the Representative of Australia to appoint a Sub-Committee of three members to examine all the available evidence and to make a report, not later than 10 March 1947 on the facts of the case as disclosed by such evidence. The question is being considered by the Sub-Committee.

11. *Draft Trusteeship Agreement for the Former Japanese Mandated Islands*

By letter dated 17 February 1947, addressed to the Secretary-General, the Representative of the United States forwarded the text of a draft Trusteeship Agreement for the former Japanese Mandated Islands for submission to the Security Council for its approval in accordance with Article 83 of the Charter.

Discussion on this subject took place at the one hundred and thirteenth and one hundred and sixteenth meetings on 26 February and 7 March 1947.

The Representatives of the Union of Soviet Socialist Republics and Poland submitted amendments to the draft agreement.

The Council adjourned further consideration until 13 March.

¹ Security Council Document S/295, Mar. 7, 1947. This summary supplements the one printed in *BULLETIN* of Mar. 2, 1947, p. 385. The omitted parts correspond substantially to the material formerly printed.

U.S. Delegation to U.N. Preparatory Committee on Trade and Employment.

[Released to the press March 11]

The Department of State announced on March 11 the list of the United States Delegation to the second meeting at Geneva of the United Nations Preparatory Committee for the International Conference on Trade and Employment.

William L. Clayton, Under Secretary for Economic Affairs, will be Chairman of the Delegation, and Clair Wilcox, Director, Office of International Trade Policy, Department of State, will be Vice Chairman.

At the Geneva meeting, opening April 10, the 18 participating nations will undertake to complete the draft of a charter establishing common principles of world-trade policy and setting up an International Trade Organization. They will also negotiate toward the reduction of tariffs, the removal of other barriers to trade, and the elimination of discriminatory trade practices.

There are 85 officials from 9 departments and agencies of the Government on the Delegation list, and, in addition, the secretariat accompanying the Delegation will number 40.

The list follows:

Chairman:

William L. Clayton, Under Secretary for Economic Affairs,
Department of State

Vice Chairman:

Clair Wilcox, Director, Office of International Trade Policy,
Department of State

Delegates:

Winthrop G. Brown, Chief, Division of Commercial Policy,
Department of State

John W. Evans, Trade Barriers Policy Adviser, Office of
International Trade, Department of Commerce

Harry C. Hawkins, Minister-Counselor for Economic Af-
fairs, American Embassy, London

William R. Johnson, Commissioner, Bureau of Customs,
U.S. Treasury Department

John H. G. Pierson, Economic Adviser to the Assistant
Secretary of Labor, Department of Labor

Oscar B. Ryder, Chairman, U.S. Tariff Commission

Leslie A. Wheeler, Director of Foreign Agricultural Rela-
tions, Department of Agriculture

Alternate Delegates:

E. Dana Durand, Commissioner, U. S. Tariff Commission

John W. Gunter, U.S. Treasury Representative, American
Embassy, London

Robert B. Schwenger, Special Assistant to the Director,
Office of Foreign Agricultural Relations, Department
of Agriculture

Advisers:

George B. L. Arner, Economist, Office of Foreign Agricul-
tural Relations, Department of Agriculture

George Bronz, Special Assistant to the General Counsel,
U.S. Treasury Department

Sol Luis Descartes, Member, Planning, Urbanizing and
Zoning Board, Insular Government of Puerto Rico

John A. Hopkins, Office of Foreign Agricultural Relations,
Acting Head, Latin American Division, Department of
Agriculture

Einar Jensen, Agricultural Attaché, American Legation,
Bern

Paul Kaplowitz, Assistant General Counsel, U.S. Tariff
Commission

Edmund H. Kellogg, Specialist, Division of International
Organization Affairs, Department of State

Donald D. Kennedy, Chief, International Resources Divi-
sion, Department of State

Sidney J. Kennedy, U.S. Treasury Attaché, American Em-
bassy, London

Norris G. Kenny, Economic Analyst, Department of Re-
search, The Industrial College of the Armed Forces,
War Department

John M. Leddy, Adviser on General Commercial Policy,
Division of Commercial Policy, Department of State

Frederick A. Motz, Agricultural Adviser, American Lega-
tion, Vienna

Harold H. Neff, Special Assistant to the Under Secretary
of War, War Department

Montell E. Ogdon, in charge of United Kingdom and Can-
ada Section, Office of Foreign Agricultural Relations,
Department of Agriculture

Robert P. Terrill, Associate Chief, International Resources
Division, Department of State

Capt. W. B. Thorp, Chief, Services Division, Army and
Navy Munitions Board

Tariff Negotiating Teams:

1. United Kingdom

Wilson T. M. Beale (Head), Assistant Chief, Division of
Commercial Policy, Department of State

Don C. Bliss, Commercial Attaché, American Embassy,
London

Loyle A. Morrison, Chief, Economics Division, U. S. Tariff
Commission

Cromwell A. Riches, Chief, United Kingdom Section, Office
of International Trade, Department of Commerce

Joe A. Robinson, Country Specialist, Division of Commer-
cial Policy, Department of State

2. Canada

Homer S. Fox (Head), Commercial Attaché American Em-
bassy, Ottawa

Winifred R. Maroney, Chief, Canadian Section, Depart-
ment of Commerce

Constant Southworth, Country Specialist, Division of
Commercial Policy, Department of State

Carl J. Whelan, Principal Economist, U.S. Tariff Commission

3. *Southern Dominions*

Robert M. Carr (Head), Adviser, Division of Commercial Policy, Department of State

Carl E. Christopherson, Chief, Southern Hemisphere Section, British Commonwealth Division, Department of Commerce

Kathleen Molesworth, Second Secretary and Consul, American Embassy, London

Wentworth W. Peirce, Senior Economist, U.S. Tariff Commission

4. *India*

Edwin G. Moline (Head), Country Specialist, Division of Commercial Policy, Department of State

David Lynch, Principal Economist, U.S. Tariff Commission

Joseph S. Sparks, Vice Consul, American Consulate, Karachi

Carlton L. Wood, Chief, Asiatic-Pacific Section, Office of International Trade, Department of Commerce

5. *France*

Daniel Reagan (Head), Counselor of Embassy for Economic Affairs, American Embassy, Paris

Philip M. Copp, Assistant Chief, European Division, Office of International Trade, Department of Commerce

Mary G. Crain, Research Assistant, Division of Commercial Policy, Department of State

Willard W. Kane, Commodity Specialist, U.S. Tariff Commission

H. Arnold Quirin, Country Specialist, Division of Commercial Policy, Department of State

6. *Belgium, the Netherlands, and Luxembourg*

William A. Fowler (Head), Adviser on Economic Problems to the U.S. Representative (ECOSOC), Department of State

Julean Arnold, Jr., Country Specialist, Division of Commercial Policy, Department of State

Prentice N. Dean, Principal Economist, U.S. Tariff Commission

Robert P. Donogh, Economic Analyst, Office of International Trade, Department of Commerce

7. *China and Lebanon*

Merrill C. Gay (Head), Assistant Chief, Division of Commercial Policy, Department of State

Charles N. Henning, Senior Economic Analyst, Office of International Trade, Department of Commerce

David Lynch, Principal Economist, U.S. Tariff Commission

John F. Shaw, Division of Commercial Policy, Department of State.

8. *Czechoslovakia*

Vernon L. Phelps (Head), Adviser on European Commercial Affairs, Department of State

Howard F. Barker, Chief, Accounting Division, U.S. Tariff Commission

Arley T. Caudill, Economic Analyst, Office of International Trade, Department of Commerce

Robert B. Wright, Country Specialist, Division of Commercial Policy, Department of State

9. *Brazil and Chile*

DuWayne G. Clark (Head), Commercial Attaché, American Embassy, Rio de Janeiro

William F. Gray, Country Specialist, Division of Commercial Policy, Department of State

Allyn Campbell Loosley, Principal Economist, U.S. Tariff Commission

Anthony J. Poirier, Specialist, Tariff and Trade Agreements, Office of International Trade, Department of Commerce

10. *Cuba*

Albert F. Nufer (Head), Counselor of Embassy for Economic Affairs, American Embassy, Habana

Mrs. Amelia H. Hood, Divisional Assistant, Division of Commercial Policy, Department of State

Anthony B. Kenkel, Economist, U.S. Tariff Commission

Albert J. Powers, Chief, Caribbean Section, Office of International Trade, Department of Commerce

11. *Norway*

Norman Burns (Head), Adviser, Division of Commercial Policy, Department of State

Louis S. Ballif, Chief, Technical Service, U.S. Tariff Commission

Harold P. MacGowan, Adviser, Trade Agreement Policy, Office of International Trade, Department of Commerce

Robert B. Wright, Country Specialist, Division of Commercial Policy, Department of State

Commodity Specialists:

J. Mark Albertson, Chief, Ceramics Division, U.S. Tariff Commission

W. A. Graham Clark, Chief, Textile Division, U. S. Tariff Commission

Rollin Cragg, Assistant Chief, Chemical Division, U. S. Tariff Commission

Oscar A. Juve, Chief, Agriculture Division, U. S. Tariff Commission

F. Morton Leonard, Chief, Metals Division, U. S. Tariff Commission

Walter L. Sanders, Jr., Principal Commodity Specialist, U. S. Tariff Commission

John H. Shannon, Senior Economic Analyst, Office of International Trade, Department of Commerce

Press Officer:

Roger W. Tubby, Press Officer, Department of State

Information Liaison Officer:

Margaret R. T. Carter, Acting Chief, Division of Public Liaison, Department of State

Technical Secretary:

J. Robert Schaetzel, Special Assistant to the Director, Office of International Trade Policy, Department of State

Executive Secretary:

Basil Capella, Division of International Conferences, Department of State

Convention on International Civil Aviation

[Released to the press March 11]

The Department of State has announced that there have been deposited the requisite number of instruments of ratification of the convention on international civil aviation in order, under the terms of the convention, to bring it into force on April 4, 1947. This occasion will mark an important milestone in the history of international civil aviation. In November 1944 the representatives of 54 nations gathered at Chicago to attempt a blueprint for world civil aviation. This blueprint has now matured into an accepted and operating piece of international machinery. Upon it the future world-wide development of civil aviation will largely be based.

Under the terms of the convention there will now come into being a permanent International Civil Aviation Organization, which will be brought into relationship with the United Nations in accordance with the Charter of the latter and will form a part of the general pattern of international cooperation. This organization has as its aim the establishment of principles and techniques of international air navigation and the fostering of the development of international air transport to the end that it will—

- (a) Insure the safe and orderly growth of international civil aviation throughout the world;
- (b) Encourage the arts of aircraft design and operation for peaceful purposes;
- (c) Encourage the development of airways, airports, and air-navigation facilities for international civil aviation;
- (d) Meet the needs of the peoples of the world for safe, regular, efficient, and economical air transport;
- (e) Prevent economic waste caused by unreasonable competition;
- (f) Insure that the rights of contracting states are fully respected and that every contracting state has a fair opportunity to operate international airlines;
- (g) Avoid discrimination between contracting states;
- (h) Promote safety of flight in international air navigation;

(i) Promote generally the development of all aspects of international civil aeronautics.

In the past two years the Provisional International Civil Aviation Organization (PICAO), established on June 6, 1945 by the entry into force of the interim agreement on international civil aviation, has vigorously pursued these aims with tangible results. That provisional organization has established, for example, standards and procedures which have contributed greatly to the safety and regularity of international air operations and has provided a public forum for free and open discussions of mutual problems. The remarkable energy and spirit of cooperation with which the provisional organization has attacked and solved many problems serves as an outstanding example in the field of international accord. This success has been in no small part due to the wisdom and vision of the president of the Interim Council, Dr. Edward Warner, and to the high caliber of the representatives of the 21 governments who compose the Interim Council.

Now that the convention will shortly come into force, the peoples of the world interested in international cooperation may take pride in the past accomplishments of the provisional organization and entertain real hope for the future success of the International Civil Aviation Organization. This organization will provide a permanent base for the establishment of sound principles in the entire field of international civil aviation, thereby contributing in no small part to the elimination of world misunderstanding and thus to an era of lasting peace among the nations of the earth.

The following countries have deposited instruments of ratification or adherences: Argentina, Australia, Brazil, Canada, Chile, China, Czechoslovakia, Denmark, Dominican Republic, Ethiopia, India, Ireland, Liberia, Mexico, New Zealand, Nicaragua, Paraguay, Peru, Philippine Republic, Poland, Portugal, Spain, Sweden, Switzerland, Turkey, Union of South Africa, U.K., and U.S.

In addition it is understood that the Governments of Afghanistan, Bolivia, Iceland, Egypt, and the Netherlands have completed ratification procedures and that their instruments of ratification are in the process of transmittal to the United States.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Calendar of Meetings¹

In Session as of March 16, 1947		1946	ILO—Continued		1947
Far Eastern Commission . .	Washington .	Feb. 26	Industrial Committee on Coal Mining.	Geneva . . .	Apr. 23
United Nations:			Industrial Committee on Inland Transport.	Geneva . . .	May 6
Security Council	Lake Success .	Mar. 25	International Wheat Conference.	London . . .	Mar. 18
Military Staff Committee .	Lake Success .	Mar. 25			
Commission on Atomic Energy.	Lake Success .	June 14	United Nations:		
Telecommunications Advisory Committee.	Lake Success .	Nov. 10	Trusteeship Council . . .	Lake Success .	Mar. 26
			Meeting of Experts on Passport and Frontier Formalities.	Geneva . . .	Apr. 14
Economic and Social Council (ECOSOC): Fourth Session.	Lake Success .	Feb. 28	Committee on Progressive Development and Codification of International Law.	Lake Success .	May 1 (tentative)
		1946	Economic and Social Council (ECOSOC): Subcommittee on Statistical Sampling.	Lake Success .	Apr. 14 (tentative)
German External Property Negotiations (Safehaven):			Subcommission on Protection of Minorities.	Lake Success .	Apr. 21 (tentative)
With Portugal	Lisbon . . .	Sept. 3	Subcommission on Prevention of Discrimination.	Lake Success .	Apr. 28 (tentative)
With Spain	Madrid . . .	Nov. 12	Fiscal Commission . . .	Geneva . . .	Apr. 28 (tentative)
Inter-Allied Trade Board for Japan.	Washington .	Oct. 24	Preparatory Committee of Economic Commission for Europe.	Lake Success .	May 5 (tentative)
			Subcommission on Freedom of Information.	Lake Success .	May 26 (tentative)
PICAO:		1947	Social Commission . . .	Geneva . . .	Mar. 31
Interim Council	Montreal . .	Jan. 7			
Air Transport Committee: Sixth Session.	Montreal . .	Jan. 13	World Health Organization (WHO): Third Session of Interim Commission.		
Airworthiness Division . .	Montreal . .	Feb. 20			
Airline Operating Practices Division.	Montreal . .	Feb. 25			
Inter-Allied Reparation Agency (IARA): Meetings on Conflicting Custodial Claims.	Brussels . . .	Jan. 29			
International Court of Justice.	The Hague .	Feb 10			
Council of Foreign Ministers.	Moscow . . .	Mar. 10			
Scheduled for March—May 1947					
ILO:					
Committee on Social Policy in Dependent Territories.	London . . .	Mar. 17–22.			
Committee of Experts on the Application of Conventions.	Geneva . . .	Mar. 24–29.			

¹ Prepared in the Division of International Conferences, Department of State.

1947			1947		
International Wool Study Group	London . . .	Mar. 31	Fifth International Hydrographic Conference.	Monaco . . .	Apr. 22
Interparliamentary Union: 36th Plenary Session.	Cairo . . .	Apr. 7	International Meeting of Marine Radio Aids to Navigation.	New York and New London.	Apr. 28—May 9
International Conference on Trade and Employment: Second Meeting of Preparatory Committee.	Geneva . . .	Apr. 10	FAO International Timber Conference.	Marianske-Lazne, Czechoslovakia.	Apr. 28
UNESCO Executive Board	Paris . . .	Apr. 10—12 (tentative)	International Civil Aviation Organization (ICAO): First Meeting of General Assembly.	Montreal . .	May 6
International Red Cross Committee.	Geneva . . .	Apr. 14—26	Congress of the Universal Postal Union.	Paris . . .	May 6
PICAO European-Mediterranean Special Air Traffic Control Conference.	Paris . . .	Apr. 15	International Radio Conference.	Atlantic City.	May 15
International Refugee Organization (IRO): Second Part of First Session of Preparatory Commission.	Geneva . . .	Apr. 15 (tentative)	International Technical Committee of Aerial Legal Experts (CITEJA).	Montreal . .	May
European Central Inland Transport Organization (ECITO): Seventh Session of the Council.	Paris . . .	Apr. 17 (tentative)	International Emergency Food Council (IEFC): Fourth Meeting.	Washington .	May

Activities and Developments »

U.S. DELEGATION TO INTERNATIONAL WHEAT CONFERENCE

[Released to the press March 10]

The Department of State announced on March 10 that the United States Delegation to the International Wheat Conference at London starting March 18 has been appointed by the President.

Composition of the Delegation is as follows:

Chairman:

Leslie A. Wheeler, Director, Office of Foreign Agricultural Relations, Department of Agriculture

Delegates:

Carl C. Farrington, Assistant Administrator, Production and Marketing Administration, Department of Agriculture

Edward G. Cale, Associate Chief, Division of International Resources, Department of State

Paul O. Nyhus, Agricultural Attaché, American Embassy, London

Secretary:

Oscar Zaglits, Economist, Office of Foreign Agricultural Relations, Department of Agriculture

The Conference, which will seek to draw up an international wheat agreement, was recommended by the International Wheat Council which met at Washington last January. Invitations to the Conference were extended by the British Government, as host, to all member nations of the United Nations and to all other Food and Agriculture Organization member nations who are not United Nations members (Finland, Switzerland, Hungary, Ireland, Italy, and Portugal) as well as to the FAO and the United Nations Economic and Social Council to send official observers.

Major objectives of the proposed agreement, as outlined by the International Wheat Council, are as follows:

Equitable international wheat prices fair to both consumers and producers;

Adequate wheat supplies for world consumption at all times;

Establishment of wheat reserves through national stocks to insure against crop failures, famine, and other contingencies;

Avoidance of the accumulation of burdensome wheat surpluses;

Security for efficient wheat producers;

Encouragement of the use of areas unsuited to wheat production for more suitable products;

Increased opportunity for satisfying world wheat requirements from sources from which such requirement could be supplied most effectively;

Promotion of increased wheat consumption, paying attention particularly to the nutritional program of signatory governments.

TURKEY SIGNS ARTICLES OF AGREEMENT OF FUND AND BANK

The Articles of Agreement of the International Monetary Fund and the Articles of Agreement of

the International Bank for Reconstruction and Development were signed and accepted on March 11 by the Turkish Ambassador and by the Director General of the Treasury of the Ministry of Finance of Turkey, on behalf of the Government of Turkey.

Turkey's application for admission to membership in the International Monetary Fund was approved by the Board of Governors of the Fund in Washington on October 2, 1946, and her application for admission to membership in the International Bank was approved by the Board of Governors of the Bank on October 3, 1946.

The signing of the Articles of Agreement by Turkey brings the total of countries having membership in the International Monetary Fund and the International Bank for Reconstruction and Development to 41.

Three other countries—Italy, Syria, and Lebanon—applying for membership at the same time have until April 15, 1947 to sign the Articles of Agreement.

CONFIRMATION OF U.S. EXECUTIVE DIRECTOR OF INTERNATIONAL BANK

The Senate on March 14, 1947 confirmed the nomination of Eugene R. Black to be United States Executive Director of the International Bank for Reconstruction and Development for a term of two years and until his successor has been appointed.

ERRATA

In the article entitled "International Cooperation in Sugar" by Jean Mulliken, which appeared in the *BULLETIN* of January 12, 1947, the following corrections should be made:

On page 46, left column, second paragraph, line 3, change "2.5" to read "2.65"; third paragraph, line 4, delete the word "International".

Recommendations on Greece and Turkey

MESSAGE OF THE PRESIDENT TO THE CONGRESS¹

MR. PRESIDENT, MR. SPEAKER, MEMBERS OF THE CONGRESS OF THE UNITED STATES:

The gravity of the situation which confronts the world today necessitates my appearance before a joint session of the Congress.

The foreign policy and the national security of this country are involved.

One aspect of the present situation, which I wish to present to you at this time for your consideration and decision, concerns Greece and Turkey.

The United States has received from the Greek Government an urgent appeal for financial and economic assistance. Preliminary reports from the American Economic Mission now in Greece and reports from the American Ambassador in Greece corroborate the statement of the Greek Government that assistance is imperative if Greece is to survive as a free nation.

I do not believe that the American people and the Congress wish to turn a deaf ear to the appeal of the Greek Government.

¹Delivered by the President before a joint session of Congress on Mar. 12, 1947, and released to the press by the White House on the same date. This message will also be printed as Department of State publication 2785. The full text of the President's speech was translated into eight languages and broadcast at differing times to Europe, the Soviet Union, and the Far East. Summaries of the speech were broadcast several times in all the 25 languages of the "Voice of the United States of America".

As the President was speaking at the Capitol, a "live" broadcast of his voice was transmitted to Europe and to the Middle East through relay at Algiers. A recording of the President's voice was broadcast to Latin America at 5:30 and 9:25 p.m. on March 12; to the Far East at 5:30 p.m. on March 12 and at 5 and 8:30 a.m. on March 13; and to Europe and the Middle East at 5:30 a.m. on March 13. With the time changes around the world, the rebroadcasts carried the President's voice to all parts of the world at the most favorable listening hours during the morning, afternoon, and evening.

Since the "Voice of the United States of America" does not include the Greek and Arabic languages, the President's message was heard in Greece and Turkey only in the English language.

Greece is not a rich country. Lack of sufficient natural resources has always forced the Greek people to work hard to make both ends meet. Since 1940 this industrious and peace-loving country has suffered invasion, four years of cruel enemy occupation, and bitter internal strife.

When forces of liberation entered Greece they found that the retreating Germans had destroyed virtually all the railways, roads, port facilities, communications, and merchant marine. More than a thousand villages had been burned. Eighty-five percent of the children were tubercular. Livestock, poultry, and draft animals had almost disappeared. Inflation had wiped out practically all savings.

As a result of these tragic conditions, a militant minority, exploiting human want and misery, was able to create political chaos which, until now, has made economic recovery impossible.

Greece is today without funds to finance the importation of those goods which are essential to bare subsistence. Under these circumstances the people of Greece cannot make progress in solving their problems of reconstruction. Greece is in desperate need of financial and economic assistance to enable it to resume purchases of food, clothing, fuel, and seeds. These are indispensable for the subsistence of its people and are obtainable only from abroad. Greece must have help to import the goods necessary to restore internal order and security so essential for economic and political recovery.

The Greek Government has also asked for the assistance of experienced American administrators, economists, and technicians to insure that the financial and other aid given to Greece shall be used effectively in creating a stable and self-sustaining economy and in improving its public administration.

The very existence of the Greek state is today threatened by the terrorist activities of several thousand armed men, led by Communists, who defy

the Government's authority at a number of points, particularly along the northern boundaries. A commission appointed by the United Nations Security Council is at present investigating disturbed conditions in northern Greece and alleged border violations along the frontier between Greece on the one hand and Albania, Bulgaria, and Yugoslavia on the other.²

Meanwhile, the Greek Government is unable to cope with the situation. The Greek Army is small and poorly equipped. It needs supplies and equipment if it is to restore authority to the Government throughout Greek territory.

Greece must have assistance if it is to become a self-supporting and self-respecting democracy.

The United States must supply that assistance. We have already extended to Greece certain types of relief and economic aid, but these are inadequate.

There is no other country to which democratic Greece can turn.

No other nation is willing and able to provide the necessary support for a democratic Greek Government.

The British Government, which has been helping Greece, can give no further financial or economic aid after March 31. Great Britain finds itself under the necessity of reducing or liquidating its commitments in several parts of the world, including Greece.

We have considered how the United Nations might assist in this crisis. But the situation is an urgent one requiring immediate action, and the United Nations and its related organizations are not in a position to extend help of the kind that is required.

It is important to note that the Greek Government has asked for our aid in utilizing effectively the financial and other assistance we may give to Greece, and in improving its public administration. It is of the utmost importance that we supervise the use of any funds made available to Greece, in such a manner that each dollar spent will count toward making Greece self-supporting, and will help to build an economy in which a healthy democracy can flourish.

No government is perfect. One of the chief virtues of a democracy, however, is that its defects are always visible and under democratic processes can be pointed out and corrected. The Government of Greece is not perfect. Nevertheless it represents 85 percent of the members of the Greek

Parliament who were chosen in an election last year. Foreign observers, including 692 Americans, considered this election to be a fair expression of the views of the Greek people.

The Greek Government has been operating in an atmosphere of chaos and extremism. It has made mistakes. The extension of aid by this country does not mean that the United States condones everything that the Greek Government has done or will do. We have condemned in the past, and we condemn now, extremist measures of the right or the left. We have in the past advised tolerance, and we advise tolerance now.

Greece's neighbor, Turkey, also deserves our attention.

The future of Turkey as an independent and economically sound state is clearly no less important to the freedom-loving peoples of the world than the future of Greece. The circumstances in which Turkey finds itself today are considerably different from those of Greece. Turkey has been spared the disasters that have beset Greece. And during the war the United States and Great Britain furnished Turkey with material aid.

Nevertheless, Turkey now needs our support.

Since the war Turkey has sought additional financial assistance from Great Britain and the United States for the purpose of effecting that modernization necessary for the maintenance of its national integrity.

That integrity is essential to the preservation of order in the Middle East.

The British Government has informed us that, owing to its own difficulties, it can no longer extend financial or economic aid to Turkey.

As in the case of Greece, if Turkey is to have the assistance it needs, the United States must supply it. We are the only country able to provide that help.

I am fully aware of the broad implications involved if the United States extends assistance to Greece and Turkey, and I shall discuss these implications with you at this time.

One of the primary objectives of the foreign policy of the United States is the creation of conditions in which we and other nations will be able to work out a way of life free from coercion. This was a fundamental issue in the war with Germany and Japan. Our victory was won over countries

² BULLETIN of Jan. 5, 1947, p. 23.

which sought to impose their will, and their way of life, upon other nations.

To insure the peaceful development of nations, free from coercion, the United States has taken a leading part in establishing the United Nations. The United Nations is designed to make possible lasting freedom and independence for all its members. We shall not realize our objectives, however, unless we are willing to help free peoples to maintain their free institutions and their national integrity against aggressive movements that seek to impose upon them totalitarian regimes. This is no more than a frank recognition that totalitarian regimes imposed upon free peoples, by direct or indirect aggression, undermine the foundations of international peace and hence the security of the United States.

The peoples of a number of countries of the world have recently had totalitarian regimes forced upon them against their will. The Government of the United States has made frequent protests against coercion and intimidation, in violation of the Yalta agreement, in Poland, Rumania, and Bulgaria. I must also state that in a number of other countries there have been similar developments.

At the present moment in world history nearly every nation must choose between alternative ways of life. The choice is too often not a free one.

One way of life is based upon the will of the majority, and is distinguished by free institutions, representative government, free elections, guarantees of individual liberty, freedom of speech and religion, and freedom from political oppression.

The second way of life is based upon the will of a minority forcibly imposed upon the majority. It relies upon terror and oppression, a controlled press and radio, fixed elections, and the suppression of personal freedoms.

I believe that it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures.

I believe that we must assist free peoples to work out their own destinies in their own way.

I believe that our help should be primarily through economic and financial aid which is essential to economic stability and orderly political processes.

The world is not static, and the *status quo* is not sacred. But we cannot allow changes in the *status*

quo in violation of the Charter of the United Nations by such methods as coercion, or by such subterfuges as political infiltration. In helping free and independent nations to maintain their freedom, the United States will be giving effect to the principles of the Charter of the United Nations.

It is necessary only to glance at a map to realize that the survival and integrity of the Greek nation are of grave importance in a much wider situation. If Greece should fall under the control of an armed minority, the effect upon its neighbor, Turkey, would be immediate and serious. Confusion and disorder might well spread throughout the entire Middle East.

Moreover, the disappearance of Greece as an independent state would have a profound effect upon those countries in Europe whose peoples are struggling against great difficulties to maintain their freedoms and their independence while they repair the damages of war.

It would be an unspeakable tragedy if these countries, which have struggled so long against overwhelming odds, should lose that victory for which they sacrificed so much. Collapse of free institutions and loss of independence would be disastrous not only for them but for the world. Discouragement and possibly failure would quickly be the lot of neighboring peoples striving to maintain their freedom and independence.

Should we fail to aid Greece and Turkey in this fateful hour, the effect will be far-reaching to the West as well as to the East.

We must take immediate and resolute action.

I therefore ask the Congress to provide authority for assistance to Greece and Turkey in the amount of \$400,000,000 for the period ending June 30, 1948. In requesting these funds, I have taken into consideration the maximum amount of relief assistance which would be furnished to Greece out of the \$350,000,000 which I recently requested that the Congress authorize for the prevention of starvation and suffering in countries devastated by the war.

In addition to funds, I ask the Congress to authorize the detail of American civilian and military personnel to Greece and Turkey, at the request of those countries, to assist in the tasks of reconstruction, and for the purpose of supervising the use of such financial and material assistance as may be furnished. I recommend that authority

also be provided for the instruction and training of selected Greek and Turkish personnel.

Finally, I ask that the Congress provide authority which will permit the speediest and most effective use, in terms of needed commodities, supplies, and equipment, of such funds as may be authorized.

If further funds, or further authority, should be needed for purposes indicated in this message, I shall not hesitate to bring the situation before the Congress. On this subject the Executive and Legislative branches of the Government must work together.

This is a serious course upon which we embark.

I would not recommend it except that the alternative is much more serious.

The United States contributed \$341,000,000,000 toward winning World War II. This is an investment in world freedom and world peace.

The assistance that I am recommending for

Greece and Turkey amounts to little more than one tenth of one percent of this investment. It is only common sense that we should safeguard this investment and make sure that it was not in vain.

The seeds of totalitarian regimes are nurtured by misery and want. They spread and grow in the evil soil of poverty and strife. They reach their full growth when the hope of a people for a better life has died.

We must keep that hope alive.

The free peoples of the world look to us for support in maintaining their freedoms.

If we falter in our leadership, we may endanger the peace of the world—and we shall surely endanger the welfare of our own Nation.

Great responsibilities have been placed upon us by the swift movement of events.

I am confident that the Congress will face these responsibilities squarely.

Messages From Greek Prime Minister and Leader of Parliamentary Opposition

STATEMENT BY PRESIDENT TRUMAN

[Released to the press by the White House March 15]

I have just received two warm and appreciative messages from Greece, one from Prime Minister Maximos and one from Mr. Themistocles Sophoulis, leader of the Parliamentary Opposition. Both of these messages welcome the prospect of the kind of American assistance which I recently requested Congress to authorize and pledge the whole-hearted support of the Greek people in devoting any aid that may be forthcoming to the purpose of constructive rehabilitation and the cause of peace and freedom. These two statements bear witness to the fact that all of the Greek Parliament, including the Opposition as well as those parties now represented in the Coalition cabinet, are prepared to cooperate unreservedly with the United States Government in its desire to assist Greece in restoring those basic conditions of economic stability and internal order which will allow the Greek people to build their future in peace and security.

I sincerely hope that these evidences of good-will mark the beginning of a happier era for Greece, in which all loyal citizens will contribute their

share toward the restoration of a country of whose democratic history they may be proud. It is also my profound hope that those Greeks who have taken up arms against their government will accept with confidence the amnesty which the Greek Government is extending to all except those guilty of crimes against the common law. The Greek people, aware of the sympathetic interest of the American people, will, I am sure, rally their strength to vitalize their national life, forgetting past excesses and looking courageously toward a hopeful future.

TEXTS OF MESSAGES

[Released to the press by the White House March 15]

His Excellency HARRY TRUMAN,
President of the United States.

MY DEAR MR. PRESIDENT:

It is with great emotion that I hasten to express to you the gratitude of the Greek Government, as well as my own, for your momentous address to Congress. It is destined to have a decisive influence on the future of the world, and especially on that of our Greek people, a significant encourage-

ment in the just and noble struggle they are waging for the principles of freedom and democracy. You are aware that the Greek people have long ago chosen between the two ways of life which constitute at the present historical moment the only choice for the peoples of the world. This way of life, which is based upon the will of the majority and distinguished by free institutions, representative governments, free elections, and guarantees of individual liberty, has been ours for thousands of years. That is why we defied the Axis forces which accumulated upon our people innumerable calamities. That is also why we are now facing a subversive movement of a militant minority which is supported from abroad and is seeking to impose its will upon the majority of the people by force of arms and terrorism. This struggle is an exceptionally hard one because it has found the nation exhausted by the devastation wrought by war and occupation as your distinguished representatives in Greece, the Ambassador of the USA and the Chief of the American Economic Mission, have so accurately informed you. Its prolongation would definitely stop the economic recovery of our people and dangerously weaken the nation's capacity of resistance. That is why your announcement concerning the precious assistance of the great American democracy has revived the hopes of all of us and has convinced us that the time is no longer far when Greece, free from all trials, will regain her position among the happy and peace loving democracies of the world. You declare that you have condemned in the past and condemn now extremist acts, either of the right or of the left, and that in the past you have advised tolerance which you also advise now.

The Greek Government, chosen by the free will of the Greek people and based upon the confidence of its great majority, is exactly following the policy which you suggest by defending free institutions with conviction by enforcing a state of law for all and by offering an amnesty in order to put a quick end to the abnormal situation.

The Greek people are well aware of the importance of your assistance under the present cir-

¹ Made by Warren R. Austin, U.S. Representative at the Seat of the United Nations, on Mar. 13, 1947, and released to the press by the U.S. Delegation to the U.N. on the same date.

cumstances and through me give you the unre-served assurance that they will prove themselves worthy of the solicitude and the confidence which you are extending to them, confident that the policy outlined by your address will soon bring peace and happiness to this part of the world and that Greece by recovering her tranquillity and applying herself undistractedly to productive work will become an example for peace loving and progressive democratic peoples.

I assure you, Mr. President, of the eternal gratitude of the Greek nation. I have the honour to be, my dear Mr. President,

Yours faithfully,

D. MAXIMOS, *Prime Minister of Greece*

*The President of the United States,
Harry Truman:*

Please accept the expression of our deepest gratitude for the valuable assistance which you have kindly proposed to Congress in favor of Greece for her economic rehabilitation, the stabilization of her freedom and independence, and for her internal pacification. The assistance of the United States and your wise advice condemning the extremes of the right and left and recommending a policy of toleration will also contribute, I am sure, to the internal pacification of Greece without further bloodshed.

THEMISTOCLES SOPHOULIS

The Leader of the Opposition Committee

STATEMENT BY U.S. REPRESENTATIVE AT THE SEAT OF THE UNITED NATIONS¹

The United States is dedicated to the principles of the United Nations Charter and to the building up of collective security. Support of the freedom and independence of Greece and Turkey is essential to these purposes. Prompt approval by Congress of the President's proposal would be new and effective action by the United States in supporting with all our strength our policy in the United Nations.

U.S.-French Accord on Release of German Prisoners of War

[Released to the press March 13]

American and French representatives have concluded a meeting in Paris convened at the request of the United States for the purpose of working out the details of the release and repatriation of German prisoners of war transferred by this Government to the French for rehabilitation labor. As a result of this meeting an agreement has been concluded initiating a program which contemplates the release from prisoner-of-war status of these men at the earliest practicable time. This will be accomplished either by direct repatriation to Germany or by release from prisoner-of-war status in France of those who elect to remain as free workers.

The French authorities now hold approximately 450,000 German prisoners of war transferred to them by the American authorities and in addition, according to information supplied by the French, approximately 180,000 captured by their own forces. The French have suggested and we have agreed that for humanitarian and other reasons it would be unfair to give priority to the release and repatriation of American-captured prisoners of war at the expense of the others. Consequently the program agreed to will be applicable to both categories. A separate accounting will, of course, be made by the French authorities to the American authorities regarding the release and repatriation of prisoners of war captured by our forces.

Under the agreement the repatriation rate of 12,000 a month which the French initiated January 1, 1947 will be immediately increased to a minimum of 20,000 a month. The French have agreed to increase this figure as soon as rail transport facilities in France permit.

The French authorities will offer to the prisoners of war a choice between being repatriated to Germany and being released from prisoner-of-war status to remain in France as voluntary workers. Those who choose the latter will be released from prisoner-of-war status and will receive work contracts giving them rights similar to those enjoyed by other foreign workers in France. This alternative to repatriation was agreed to by this Government at the express request of the French Government in consideration of the known need for labor in that country at the present time. In agreeing to this arrangement we insisted, and the French fully

concurred, that a satisfactory formula be arrived at to guarantee a free choice to each individual prisoner of war and that before making the choice each be fully informed of the status to be accorded him if he should elect to waive repatriation and remain in France as a free worker. Assurances to this effect have been included in the agreement between the two Governments.

The International Committee of the Red Cross has agreed to associate itself with the program and has been accorded special status by the French Government with respect to the supervision of the operation and the protection of the individual rights of the prisoner of war. The willingness of the International Committee of the Red Cross to participate in this program satisfies this Government that a free choice will be guaranteed.

The agreement further provides that the progress of the operation will be closely observed and the two Governments will reexamine the situation periodically, having in mind this Government's desire that the operation be completed by October 1, 1947.

Correction of Information on Transfer of Prisoners of War to the Netherlands

[Released to the press March 11]

The Department of State wishes to correct an erroneous statement made in the Department's press release no. 868 of December 5, 1946¹ and in subsequent communications to the public concerning this Government's policy with respect to the repatriation of German prisoners of war captured by American forces and subsequently transferred to other governments for rehabilitation labor.

The information previously given out was to the effect that 10,000 such prisoners of war had been transferred to the Netherlands Government. It has now been determined that this information is inaccurate. A check of the pertinent records by the American military authorities reveals that no German prisoners of war were transferred by this Government to the Netherlands Government for rehabilitation work in that country. Although the American military authorities were prepared to allocate 10,000 such prisoners of war to the Netherlands, the transfer was never made.

¹ BULLETIN of Dec. 15, 1946, p. 1106.

Policy on Exchanges of Cultural Materials Between the United States and Austria

[Released to the press March 16]

The following statement of United States policy is being released simultaneously in the United States by the Department of State and the War Department and in Austria by Headquarters, United States Forces in Austria. It is hoped that it will encourage organizations and institutions in both countries to promote and engage in cultural exchanges and thereby to contribute to the increase in understanding and to the strengthening of those ties which will be of greatest benefit to the two countries.

1. In accordance with the United States Policy, based on the Moscow Declaration of November 1, 1943, of regarding Austria as a liberated country and promoting the reestablishment of a free and independent democratic Austrian state, it is the aim of the United States Government to foster the speedy restoration of normal cultural relations with Austria. As one of the powers occupying Austria, the United States also shares a responsibility which is defined as follows in the four-power agreement on a new control machinery for Austria of June 28, 1946: "To ensure the institution of a progressive long-term educational program designed to eradicate all traces of Nazi ideology and to instill into Austrian youth democratic principles."

2. The revival of the exchange of cultural materials between the United States and Austria is regarded as an essential contribution toward the accomplishment of these objectives. Therefore:

(a) The United States Government shall encourage and facilitate the revival of the exchange of cultural materials between the United States and Austria.

(b) Whenever appropriate, the advice, cooperation and support of the Austrian Government or of official Austrian agencies or institutions shall be sought in connection with projects involving the exchange of cultural materials.

(c) Private organizations, institutions and individuals in the United States and in Austria shall be encouraged and assisted to engage in, and to take an increasing share in, activities within the scope of this policy, and to undertake such activities on their own initiative.

3. Cultural materials to be exchanged under this policy must be free from Nazism and militarism; they must not attempt to create division between or foster disrespect for the United Nations; they must not incite to riot or disorder or otherwise interfere with the processes of the Allied Council or the Austrian Government.

4. Transmissions from the United States to Austria of the following categories of materials shall be encouraged:

- (a) Books and pamphlets, newspapers and periodicals, sheet music, and other printed matter.
- (b) Drawings, paintings, engravings, etchings, maps, and charts.
- (c) Photographs, slides, film strips, documentary and educational motion picture films.
- (d) Musical and speech recordings.
- (e) Manuscripts and musical scores.
- (f) Educational tools and materials.
- (g) Scientific specimens.
- (h) Religious objects.
- (i) Raw materials, machines, or other articles which are urgently needed for the production or presentation of cultural materials.

5. The United States Government shall promote the extension of postal service and of other transportation and communications facilities between the United States and Austria which may be used for the interchange of cultural materials.

6. Commercial transactions in all cultural materials approved for this program shall be encouraged between Austria and the United States subject to such regulations concerning transactions involving foreign exchange as may be imposed by the Allied Council and the Austrian Government.

Treaties of Peace With Italy, Rumania, Bulgaria, and Hungary ¹

THE PRESIDENT'S LETTER OF TRANSMITTAL

THE WHITE HOUSE,
February 28, 1947.

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith copies of the treaties of peace with Italy, Rumania, Bulgaria, and Hungary, signed at Paris on February 10, 1947.

I transmit also for the information of the Senate the report made to me by the Secretary of State regarding these treaties of peace, and the summary of each treaty which accompanied that report.

HARRY S. TRUMAN

(Enclosures: (1) Report of the Secretary of State, with accompanying summaries;² (2) copies of the treaties of peace with Italy, Rumania, Bulgaria, and Hungary.)³

REPORT OF THE SECRETARY OF STATE

DEPARTMENT OF STATE,
Washington, February 27, 1947.

The President,
The White House:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to their transmission to the Senate to receive the advice and consent of that body to their ratification, if his judgment approve thereof, copies of the treaties of peace with Italy, Rumania, Bulgaria, and Hungary, states with which the United States has been at war. There is also transmitted herewith a summary of each treaty which does not purport to explain or analyze the text itself but merely to outline the subjects dealt with therein.

With the signature of these treaties in Paris on February 10, 1947, by the representatives of the states which were at war with the former enemy state in question and which took an active part in the war against the Axis with substantial military forces and by the representatives of the ex-enemy states themselves, a long series of negotiations on the part of the Council of Foreign Ministers and the Conference at Paris has been brought to a successful termination.

The treaties are not completely satisfactory to any one signatory, nor are they perhaps the best which might have been devised in different circumstances. But they do represent the best which could be achieved by general agreement not only

among the members of the Council of Foreign Ministers but among those states which had suffered most from Nazi and Fascist aggression. Moreover they form a cornerstone of the peace structure of which the keystone will be the settlements with Germany and Japan, on the first of which work has already begun aided by the experience gained in these long months of negotiation and discussion.

The genesis of these treaties of peace was the Conference held in Potsdam in July 1945, when the United States, the United Kingdom, and Soviet Union, with the subsequent agreement of France, determined that the first step toward the reestablishment of peace should be the creation of a Council of Foreign Ministers, whose immediate tasks should be to draw up, with a view to their submission to the United Nations, the treaties of peace with Italy, Rumania, Bulgaria, Hungary, and Finland. In this fashion the Council of Foreign Ministers was charged with the duty of preparing the peace for the United Nations which are responsible for maintaining it. As the United States was not at war with Finland, it does not become a signatory of the treaty of peace with that country.

Discussions, which began in London in September 1945, were continued in Moscow in December of the same year, were resumed by the Deputies of the Foreign Ministers in London in January 1946,

¹ S. Exec. F, G, H, I, 80th Cong., 1st sess.

² Summaries and texts of treaties not printed.

and by the Council again in April and June in Paris. They were followed by the Conference at Paris, which lasted from July 29 to October 15, and which gave those United Nations which had participated in the military operations against the Axis full opportunity to make known their views and to have those views taken into consideration in the final drafting of the treaties. The latter was accomplished at the November-December meeting of the Council in New York; consequently, when these treaties were finally concluded they had been considered not only by the states members of the Council of Foreign Ministers but by other United Nations in Paris whose recommendations were a most important, if not the determining factor, in settling the issues still remaining unsolved when the four Ministers met in New York.

Throughout the meetings of the Council in 1946, and the Conference at Paris, Senator Tom Connally, the then Chairman of the Senate Foreign Relations Committee, and Senator Arthur Vandenberg, the then ranking Republican member, were members of the United States delegation and throughout the negotiations gave their most valued and effective counsel.

The subjects covered by these treaties have all been discussed at considerable length and require only mention in a report of this nature. In brief they include the guarantee of human rights, the limitation of armaments in the ex-enemy states, the fixing of reparation, the treatment of the former Italian colonial possessions, the settlement of the Italo-Yugoslav frontier, particularly as it concerned Trieste, the economic and commercial policies to be followed by the former enemy states, freedom of navigation of the Danube, restitution and return of United Nations property, including compensation for damages.

The four treaties all contain obligations to grant the full exercise of human rights and enjoyment of the fundamental freedoms to the people in the territories affected by these settlements.

The maintenance by the ex-enemy states of military, naval, and air forces, armaments and fortifications is limited to the strength necessary for local defense and internal order.

The problem of reparation presented marked difficulties as between those countries which had been devastated by one or another of the ex-enemy states and therefore felt entitled to require that reparation be made to the greatest degree possible

and other countries which felt that the most important thing was to build for a future in which all states, even the ex-enemies, would have a definite prospect of economic recovery. The figures as finally established were determined either by prior armistice commitments or by agreement upon the amount which could be paid without depriving the state in question of essential resources necessary to enable it to subsist without external assistance. In the case of Italy the problem was the most acute, not only because of the number of claimants but because it was necessary to find a practical means of payment which would avoid interference with Italy's economic reconstruction and avoid placing a burden upon the Allied and Associated Powers which are determined that Italy shall live.

The disposition of the former Italian colonial possessions was the subject of much discussion. The question whether the inhabitants of some of these areas were prepared for independence or might wish to be incorporated as part of a neighboring state was considered. Various forms of United Nations trusteeship—of a single state, of one or more states, or by the Organization itself—were suggested. No final choice could be made, but it was decided that the Governments of the United States, United Kingdom, Soviet Union, and France should be given a further year to consider this issue in a more deliberative atmosphere. If at that time they are not able to agree among themselves, the matter will be placed before the United Nations, whose decision will be final.

The proposed settlement for the Trieste area and the establishment of the Italo-Yugoslav frontier was long and warmly discussed. As finally agreed, it provides for the establishment of a Free Territory of Trieste, whose free port and transit facilities will be available for use on equal terms by all international trade and, in particular, by Yugoslavia, by Italy, and the States of Central Europe. It is hoped this settlement will make it possible for Trieste to resume its traditional place as a port for the hinterland of Central Europe, without the conflicting rivalries of national aspirations impeding its progress and development. The statute which has been approved by the Security Council of the United Nations provides that the integrity and independence of the Free Territory, the human rights and freedoms of its inhabitants, shall be guaranteed by that body, thus creating a framework for the establishment and maintenance of a genuine

international regime for this troublesome and disputed area.

It is important to note that the treaties established the obligation that none of the states in question should for a period of 18 months be permitted to discriminate among the nations in matters pertaining to commerce and industry. Thus the principle of the open door in commerce and economic relations has been established for a period sufficient to permit the subsequent incorporation of this principle in bilateral commercial treaties which will in any case have to be negotiated, and to give to the United Nations of the world time to agree in a more general way upon future commercial practices to govern international trade.

The treaties with Rumania, Bulgaria, and Hungary each contain a provision to insure that navigation upon the Danube is to be free and open to the nationals, vessels of commerce, and goods of all states on a footing of equality, thus establishing the principle that artificial barriers and discriminatory practices at least as regards this important international waterway should be eliminated. Although provision is not contained in the treaties themselves, the Council of Foreign Ministers further agreed that a conference would be held within 6 months for the purpose of establishing an international regime in respect of the Danube.

The treaties likewise provide that the property of the United Nations removed as a consequence of occupation of their territories by enemy forces should be returned, and that property of these nations and their nationals in the territories of the ex-enemy states themselves must either be restored to their owners or if loss or damage prevents restoration the owner should receive compensation therefor in local currency. This was set at the rate of two-thirds of the loss suffered, sufficient to compensate the owner in part and at the same time to avoid placing too heavy a burden upon the economic reconstruction of the countries in question.

Building the foundations for a peoples' peace, as has been repeatedly said, is a long, a hard, and a slow process. In these treaties a beginning has been made. The nations which were at one time partners of the Axis have severed these ties and through the entry into force of these treaties will be enabled to make their own start upon the road to reconstruction and to enter the community of democratic nations. Not the least of the results

of the entry into force of these instruments will be the expected admission of these states to the body of the United Nations, by which act they will of their own volition accept the obligations of the Charter with its guiding principles for the maintenance of future international peace and security and its machinery to ensure that the principles of the Charter are not empty promises.

Respectfully submitted.

G. C. MARSHALL

(Enclosures: (1) Summaries; (2) copies of the treaties of peace with Italy, Rumania, Bulgaria, and Hungary.)¹

Radio Broadcast on American Aid to Greece

On March 15 the Assistant Secretary for economic affairs, Willard Thorp, and the Director of the Office of Near Eastern and African Affairs, Loy Henderson, discussed with Sterling Fisher, Director of the NBC University of the Air, the question, "Why are we helping Greece?" This program was one in a series entitled "Our Foreign Policy" presented by the University of the Air. For a complete text of the script see Department of State press release 196 of March 15, 1947.

Trade Agreement With Paraguay²

[Released to the press March 11]

The President on March 10, 1947 proclaimed the trade agreement between the United States and the Republic of Paraguay which was signed at Asunción on September 12, 1946.

Article XVII of the agreement provides that it shall enter into force on the thirtieth day following the day of its proclamation by the President of the United States and its publication in the *Gaceta Oficial* of the Republic of Paraguay, or, if the proclamation and publication take place on different days, on the thirtieth day following the one later in time.

The agreement was published in the *Gaceta Oficial* of the Republic of Paraguay on February 26, 1947 and will therefore enter into force on April 9, 1947, the thirtieth day following the date of the proclamation issued by the President.

¹ Summaries and texts of treaties not printed.

² For text of agreement in English, see press release 631 of Sept. 12, 1946.

Korea—House Divided

BY ASSISTANT SECRETARY HILLDRING¹

I was particularly gratified to accept your invitation to come to Detroit to discuss the problems which face the United States in the occupation of Korea. Because it is remote, and because it has been known to the world as "Chosen" since the Japanese assumed control more than forty years ago, little is known of the difficult struggle now taking place to establish a free and independent Korea. Then, too, I suppose that it is only natural that the countries which we fought and defeated should attract more attention than the countries which were liberated when our enemies capitulated. Let me emphasize right at the start, however, that the situation in Korea is one that we can ill afford to neglect. Any lack of interest, any failure to understand, or any attitude of indifference on the part of Americans now could easily prove fatal to success in a highly important and delicate undertaking, because the problems we have encountered in Korea constitute one of our most formidable challenges in the entire field of foreign relations. Today, then, I should like to review briefly a few of the significant factors which make this situation unique and compelling—which underline its importance—in short, which answer the question: "Why are we in Korea and what are we trying to do there?"

Strategically located, this peninsula jutting out from the mainland of Asia is larger than Austria, Hungary, and Belgium combined and has a population of about 30 million people. The struggle for the control of Korea was a fundamental cause of the Sino-Japanese War of 1894-95 and the Russo-Japanese War of 1904-05. Its control by the Japanese provided the base for the invasion of Manchuria in 1931, commencing a series of aggressions which culminated in the attack on Pearl Harbor. Today a weak Korea, unable to sustain its own independence, would be fertile ground for some new disturbance by openly inviting rivalry for her control and later domination by some strong outside power. If we are to prevent Korea's becoming a danger spot again, a cause of

war and an aid to aggression, we must make certain the establishment of a free, democratic, and sovereign country which will become an active factor in maintaining stability in the Orient.

The situation in Korea is unique and important in the second place because there, as nowhere else in the world, the United States and the Soviet Union face each other directly and with identical commitments. There, alone, we are mutually obligated by agreement to work out between ourselves the initial steps in establishing a free and independent state. In the U.S. zone we have the opportunity to demonstrate to the Koreans, the Russians, and the rest of the world what American democracy can accomplish in rehabilitating the economic, social, and political life of a country impoverished by four decades of bondage. If we succeed we shall have contributed greatly to the improvement of the U.S.-Soviet relations throughout the world. Also, a free and truly independent Korea is essential if the open door is to be maintained throughout Asia.

But more important than any of these considerations is the fact that the sincerity of the United States in assisting democratically minded people to become free and independent and really democratic is on trial in Korea. This is much more than a question as to whether or not we will discharge a moral obligation to 30 million Koreans, important as that may be. All democratic people and nations of the Far East are watching our performance in Korea with prayerful attention. If we fail to discharge this obligation with courage and resolution, if we weary of our task and lay it aside, the discouragement and disappointment to democratic peoples everywhere in the world will be infinite, and the damage to real democracy throughout the world will be incalculable.

Recognizing that the outcome of the struggle for Korean independence is of vital concern to us, to the United States, our Government has entered into a series of international agreements which commit us to active participation in the solution of Korean problems.

What are these international commitments? Having declared at Cairo and reaffirmed later at

¹ Address delivered before the Economic Club of Detroit, in Detroit, Mich., on Mar. 10, 1947, and released to the press on the same date.

Potsdam that "in due course Korea shall become free and independent", the Foreign Ministers of the U.S., the U.S.S.R., and the U.K. met in Moscow in December 1945 and concluded an agreement in which they were later joined by China. In brief, this agreement provided for the setting up of a four-power trusteeship which, during a period of not more than five years, would aid the Korean people in developing a democratic government, economy, and educational system and prepare them for membership in the United Nations. To achieve this end the United States and the Soviet Commanders in Korea were charged with the task of setting up a Korean provisional government with which they should consult in the formulation of plans for a trusteeship for Korea. This plan would then be referred for final approval to all four powers—the U.K., China, U.S.S.R., and U.S.A. These are the commitments of the United States which obligate us to take a part in Korean affairs. They are political decisions arrived at through multilateral action at international conferences.

Totally different from these political agreements is another agreement which has given rise to the unfortunate division of Korea into two zones. In the fall of 1945, shortly after the sudden surrender of Japan, the military forces of the U.S. and U.S.S.R. entered Korea in order to accept the surrender of the Japanese forces which were located there. There had been no fighting in Korea, so there were no Allied troops within that country. Because it was necessary that the surrender of the Japanese be taken by the troops more readily available it was decided that Soviet troops would accept the Japanese surrender north of the thirty-eighth parallel of latitude and the American troops would accept the surrender south of it. In no sense was this agreement more than a military expedient between two friendly powers. The line of demarcation was intended to be temporary and only to fix responsibility between the U.S. and the U.S.S.R. for carrying out the Japanese surrender. Nevertheless, now, nearly 18 months later, this artificial and "temporary" line still stands like a stone wall against the unification of Korea.

Under the terms of the Moscow agreement a conference between the United States and Soviet commanders was held in January 1946 to consider urgent problems affecting the economy and ad-

ministration of northern and southern Korea. It was the hope of the U.S. representative that it would result in the removal of the barrier of the thirty-eighth parallel, and that arrangements could be set up for considering Korea as an economic and administrative whole. However, the Soviet Command viewed the problem as one of an exchange of views and of coordination between two adjoining zones of military responsibility. Because of this fundamental divergence of viewpoint the conference failed to achieve any substantial results.

Another serious difference developed when the Joint Soviet-U.S. Commission met to formulate plans for setting up a provisional government. While both parties had long been committed to a "free, independent, and democratic" Korea, the manner in which this was to be achieved clearly indicated that the word "democratic" had one meaning to Americans, still another to the Russians. In accordance with its interpretation of the agreement the United States assumed the position that representatives of *all* Korean political parties should be consulted. The Soviets contended that all Koreans who had opposed in any way the terms of the Moscow agreement should be excluded. In as much as most of the vocal sections of the Korean population, with the exception of members of the Communist Party, had been active in expressing disagreement with one aspect or another of the agreement, the Soviet criterion would have effectively limited the Commission to consultation with one minority group. The Soviet reasoning was something like this: The decision to establish a trusteeship was made by three powers, the U.S., the U.K., and the U.S.S.R., all of which are democratic nations; therefore the decision is democratic; therefore anyone who criticizes the decision must be undemocratic. This, of course, was not acceptable to the Americans as it was considered to be a direct violation of the principle of freedom of speech. Because of this conflict it became evident that no agreement could be reached, and on May 8 the Commission adjourned *sine die*.

What is the result? Korea is still divided; there is no provisional government; and U.S. and Soviet troops still occupy it. Despite differences and delays, however, the United States is making every effort to expedite negotiations and to fulfil its obligations.

In the meantime we have not been idle. During the progress of the discussions between the United States and the Soviet Commands to effectuate the provisions of the Moscow agreement, the United States had endeavored conscientiously to fulfil its trust in southern Korea. As rapidly as conditions have permitted we have endeavored to stimulate the political, cultural, and economic reconstruction of the area. Let's take a look first at our achievements in the political field.

Because we believe that all free governments rest on freedom of speech, of the press, and of assembly, we have instituted and guaranteed these rights from the beginning of our occupation. We have encouraged the free establishment and activities of political parties. We believe that Korea should be governed by Koreans. Therefore, we have convened an Interim Legislative Assembly, comprised of 45 elected and 45 appointed members, which met for the first time on December 12, 1946. The purposes of this body are to assist the Koreans in preparing themselves for self-government by participating directly in legislation and to make possible the authoritative expression of Korean views and aspirations.

It is in no sense intended to be a separate, permanent government for southern Korea. The policy of the United States has been directed toward preparing the Koreans to assume the responsibilities of self-government in anticipation of a unified, democratic, and independent Korea as contemplated in the Moscow agreement.

Apart from progress in the lessons of self-government, a truly free and independent Korea can come into being and survive only on the basis of a stable and viable economy. The division of Korea at the thirty-eighth parallel, which has cut off the industrial north from the agricultural south, has contributed to the disruption of Korean economy. Normally able to supply its own food needs, the 20 million people of southern Korea this past year have been confronted with a serious food shortage due to grave deficiencies in the grain and rice crops. Floods, the lack of fertilizer, a cholera epidemic, and difficulties in transportation aggravated this already unfortunate situation. Despite rice-collection and ration programs, a serious food shortage will exist for this year which will require the importation of large quantities of grains into Korea in 1947 if starvation is to be prevented.

In order to create an economy that is not de-

pendent on outside aid, Korean industrial production will have to be rehabilitated. While major Korean industries are located in the north, full production in those industries which do not exist in the south has been retarded by conversion from a colonial economy tied to Japan to an independent economy. The absence of qualified Korean technicians to replace the Japanese technicians together with the extreme lack of coal, raw materials, and replacement parts have severely limited production.

Finally, the trade of Korea, which for 40 years was channeled in the direction of Japan, will have to be developed with the rest of the world. At the present time, because of the break-down in production, the United States is financing imports for Korea; and we have taken measures to stimulate export trade through the U.S. Commercial Corporation, which has undertaken the handling of exports until free, private trade can be established. With the provision of sufficient fertilizer and coal, and the rehabilitation of transportation, the export-import account can undoubtedly be balanced in the next few years.

The successful achievement of political and economic independence in Korea requires a reorganization and reorientation of its entire educational system. A country in which four out of five are illiterate, as Korea was left by the Japanese, is not fertile ground for the seeds of democracy. Even the education of the literate 20 percent consisted almost wholly of the study of the Japanese language and political indoctrination. Therefore, our basic task has been to devise a whole new educational system which encourages the study of the Korean language and culture, which trains adult Koreans in the administration of the Government and business of their country, and which provides in-service training in various technical fields. To facilitate this program a mission of Korean educators has been brought to the United States to study American methods, and as a supplemental measure a similar study by American educators in Korea is now being planned. It is encouraging to report that there are more students in schools today in our zone alone than ever before in all of Korea.

While we have made a good start in the political, economic, and educational rehabilitation of Korea, the road ahead will not be smooth. General Hodge, American Area Commander, has

made repeated efforts to find a basis for reconvening the Joint Commission. He has dispatched proposals and counter-proposals to the Soviet Area Commander. He has sent a representative to northern Korea to explore every possibility for implementing the Moscow agreement. So far he has made no tangible progress. Little wonder, then, that General Hodge, on his return from Korea a few days ago, remarked that "on the local level, negotiations with the Russians for the integration of Korea appear to be hopeless".

That in general is the situation today. We are disappointed, but we are not discouraged. In fact, as for the ultimate outcome we have an attitude of "determined optimism". We have pledged our word with the Soviet Union to establish a free and independent Korea. We have no intention of evading our international obligations here or elsewhere. Accordingly we have dug in. We shall stay until our mission is accomplished. For the present, at least, we are forced to go it alone. Because of the delay occasioned by the stalemate in negotiations we must take independent action in our zone pending unification. While this cannot be construed in any way as a contravention of the Moscow agreement, we should have desired it otherwise, for we are, and always have been, ready and willing to work hand in hand with the Soviets for the rehabilitation of Korea as an economic and political whole. Therefore, we shall continue to hope that the Soviet Union will be willing to join with us in carrying out the provisions of the Moscow agreement.

Meanwhile, the Koreans are impatient, restive. All during the war they prayed for Allied victory in the belief that it would mean the end of years of domination by the Japanese. Now the Japanese have gone, but in place of one ruler the Koreans have two others who, to make matters worse, have divided their country into two hermetically sealed compartments. Many Koreans feel that they are worse off than they were under the Japanese. Their food costs more and there is less of it. There are demands that we leave their country

and let the Koreans settle their own destiny. While we are thoroughly sympathetic with the desire of the Koreans to govern themselves free from outside influences, we are by no means convinced that they would retain their freedom if we pulled out now. I feel certain that before too long we can arrive at a formula for the waiting period that lies ahead that will be tolerable to the Koreans and the Korean leaders. In any case we are not leaving. We have an important job to do, and we are going to stay until the job is done. It is a difficult task and it may be expensive. Rebuilding a nation impoverished as Korea has been takes money—money for food, shelter, schools, transportation, and a score of other items—but the day will come when we will realize the soundness of our investment. Five or ten years from now we can take comfort in the vision we had in 1947—vision that meant a stable, peaceful Asia, a free and prosperous trade in the Far East, and the respect of all nations for the pledged word of the United States. Yes, we are in Korea to stay until we have torn down the walls of suspicion and have helped the Koreans to hold a new and unified Korea, ready to take its place among the United Nations as a sovereign country—economically self-sufficient, enlightened and resourceful, and politically free and independent.

The accomplishment of this mission will require a new dedication to the task and perhaps a new Interim Korean Program by the U.S.; it will require the patience of the Korean people; and it will require the finding of a basis of understanding between us and the Soviets. While this program may take some time, I am sure the ingredients for its satisfactory solution will be forthcoming. Certainly I am sure that the important role of the United States, as one of these ingredients, will not be withheld if we in the State Department can depend on the enlightened interest and support of the people of the United States.

It will be a tough job, but in our own interest it is worth doing and doing right.

United States Relations With Liberia

BY SIDNEY DE LA RUE¹

From the very beginning of Liberia our Government has had a very special interest in its success, and from time to time has gladly extended the assistance it has requested. Liberia, on its part, has looked to the United States of America as its next friend.

The second World War brought about an important development in our relations with Liberia. German troops occupied France and the French North African territories. French territories, as you know, adjoin the Liberian frontier. President Franklin D. Roosevelt visited Liberia in June 1943 and there discussed with President Edwin Barclay Liberia's needs for defense and for the development of its resources for use in the war effort. President Barclay pointed out the danger of the open roadsteads and the lack of a port. He asked for arms and ammunition, and assistance in the defense of Liberian frontiers. A few months later President Barclay and President-Elect Tubman came to the United States at the invitation of President Roosevelt, and the whole subject of Liberia's place in the war effort and the use of its natural resources was discussed. These conversations, and the agreements which were reached at that time, may be said to form the basis of our Liberian policy today.

Liberia, however, is important to the United States in peace as well as in war, for the interior is a vast storehouse of those raw materials which our country needs. Its harbors and its airfields are valuable to our commerce and to the world's commerce. Liberian economic development promises, in the not far distant future, there will be improved opportunities for employment, an increase in the productivity of Liberian labor, a greater demand for goods and services, and that Liberia will make a material contribution towards

the increase of world trade. President Barclay hoped and planned that such a program might become a reality; his successor, President Tubman, has courageously developed and extended these plans. The much needed port at Monrovia is under construction by one of our best engineering companies, and this work is being supervised by the United States Navy's engineers. Large ships will be able to discharge and load their cargoes at the new docks, and, if all goes well, in August of this year the new harbor at Monrovia will be opened as a free port to world shipping. Then passengers and cargo need no longer pass over the dangerous bar, and one of the greatest obstacles to Liberian commercial development will have become a thing of the past.

Liberia's request for assistance in the war effort was granted. The United States sent arms and ammunition to equip Liberian troops; our own soldiers were stationed in Liberia; roads were constructed for military purposes; and the airport at Roberts Field, named for Joseph Jenkins Roberts, was enlarged to accommodate the largest transport planes. The Department of State hopes that arrangements may be worked out to permit this fine airport to be maintained now that the war emergency has passed. Its operation will permit our planes to continue a service which has formed an important link between the United States and Liberia.

Since November 1944 the United States Public Health Service has maintained a Mission in Liberia. It is planning to continue its program of assistance until young Liberians can take over this work. It is hoped that a small group may come to this country to be instructed in the essentials of administration of a modern public-health service. When this is accomplished we can withdraw our own doctors and technicians. I need not emphasize that there is no more important public service than that of public health, and I am sure that the Liberian people value this service from the United States as much or more than any other assistance we have been able to render them.

In the fall of 1944 the Foreign Economic Ad-

¹ Excerpts from an address delivered on the occasion of Joseph Jenkins Roberts Day at Virginia State College, Petersburg, Va., on Mar. 14, 1947, and released to the press on the same date. Mr. de la Rue is Special Assistant to the Director of the Office of Near Eastern and African Affairs, Department of State.

ministration sent an Economic Mission to Liberia. This Mission is now transferred to the Department of State, and it is continuing its work in advising and assisting the Liberian Government in the development of its natural resources and over-all economy. It was through the recommendations of the Department of State that the Bureau of Mines of the United States Department of the Interior sent engineers to examine the iron-ore deposits of the Western Province. Their report has resulted in the formation by an American group of a Liberian corporation which purposes to mine the rich iron ores at Bomi Hills and ship these to the United States.

Our Government has given much thought to the native tribal peoples of Liberia and particularly to their need for modern education. We have been requested by the Liberian Government to assist in the development of an educational program for all of the people of Liberia. The Department long has recognized that it is absolutely essential that the Liberian people as a whole fit themselves in every way, such as in the training of engineers, technicians, and administrators, to participate in the economic development of their country. The existing educational opportunities are completely inadequate for this purpose. Our Government has made grants to the institutions which are working with the Booker Washington Institute, and this year, I believe, we are assuming nearly half of its costs. In cooperation with the Public Health Service the Department of State has worked out a plan for the training of nurses and also has assisted in the employment of specialists in nutrition, home economics, and agriculture, who now are working in Liberia. In relation to Liberia's educational needs, our assistance, however, is not sufficient to do more than fill in some of the most obvious gaps. Much as we would like to increase our assistance this has not been possible; there are many other demands and our funds are limited.

For many years the Department of State has urged that Liberia take steps to permit the Liberian tribesmen to prepare themselves to share in their government. President Tubman gave his attention to this subject at the very beginning of his administration, wisely recognizing the need to bring all of the peoples of Liberia together in a real democracy. Under his leadership the Liberian legislature has extended the right of suffrage to the tribesmen and also to the women of Liberia.

This is an important step and one of which our Government heartily approves.

President Tubman also has announced his policy for a long-term program of development of Liberian educational services, banking facilities, and for the economic and social betterment of his country. In the accomplishment of this program we must all wish him success.

Realizing the close ties between the Liberian people and their friends and well-wishers in this country, and because so large a section of our fellow citizens have expressed interest in and approval of the assistance programs which we have developed in collaboration with the Liberian Government, I am happy to assure you that the Department of State has been at all times willing to give sympathetic consideration to any request for assistance by Liberia.

The first centennial of Liberian independence is shortly to be celebrated. The Government of the United States has been invited to participate in this centennial, and that invitation has been accepted. The Department of State will ask the Congress of the United States to approve the necessary funds for us to take our part in the centennial.

Foreign Service Institute

[Released to the press March 13]

The Department of State announced on March 13 the establishment of the Foreign Service Institute; William P. Maddox was announced as its first Director.

Under the authority conferred by the Foreign Service Act of 1946, Secretary of State George C. Marshall issued on March 13 a departmental order setting up the Institute to furnish training and instruction to personnel of the Foreign Service, the Department of State, and other federal agencies. The purpose of this training, according to the departmental order, is "to improve the skills, broaden the understanding, and develop the abilities" of all officers and employees engaged in the field of foreign relations.

The Institute, which takes over the personnel and functions of the Department's Division of Training Services, will have, under the direction of Dr. Maddox, four "schools"—Basic Officer Training, Advanced Officer Training, Management and Administrative Training, and Language Training. These are headed by Assistant Directors, respec-

tively, as follows: Laurence W. Taylor, Foreign Service officer from California; Frank S. Hopkins, formerly of the *Baltimore Sun*, Nieman fellow, and training specialist during the war; John B. Whitelaw, formerly professor at Smith College and George Washington University and director of training in wartime agencies; and Henry Lee Smith, Jr., formerly professor at Columbia and Brown Universities, who during the war was responsible for the production of language-instructional material for the Army.

In addition to furnishing basic practical training for new Foreign Service and Department of State personnel, the Institute will provide graduate-level instruction in the field of international, political, and economic affairs for officers at various stages during their careers. Periods of intensive short-term instruction at the Institute will be supplemented by the assignment of officers for longer training in more specialized fields at universities, technical schools, and industrial and commercial organizations. It is also planned that Foreign Service officers returning from lengthy assignments abroad will be brought up to date on

the American scene, both through American reorientation courses at the Institute and through planned tours of representative business, agricultural, and technological installations throughout the country.

Expanding on the present language-training facilities in the Division of Training Services, the Institute will provide instruction for Foreign Service and departmental officers in some 35 foreign languages, utilizing the latest techniques developed during the war in the Army language-training program.

It was emphasized that young men seeking to enter the Foreign Service or the Department of State must still receive their education in private institutions and satisfy the prescribed requirements for official appointments. The Institute, it was explained, furnishes training only *after* the applicant has been admitted to the Service or the Department.

Headquarters of the Institute are being established in a separate structure near the New War Building, into which the Department of State is planning to move within the next month.

Discussions on Merger of U.S. Carriers Engaged in International Communication Service

[Released to the press March 12]

The Telecommunications Coordinating Committee (TCC), which coordinates Government policy in the communications field, and is made up of representatives of Government departments and agencies with interests in telecommunications, namely, Department of State, Federal Communications Commission, War Department, Navy Department, Treasury Department, and Department of Commerce, has for some time been studying the question of the advisability of recommending legislation dealing with the subject of merger of the United States carriers engaged in international communication service.

In this connection, the TCC, through its Chairman, William L. Clayton, Under Secretary of State for Economic Affairs, invited representatives of the carriers to meet with it in order to present their views on the following two questions:

(a) The desirability of proposing legislation which would provide for merger, on a permissive basis, of United States carriers furnishing telegraph service between the United States and foreign and overseas points. Such legislation would not permit inclusion in the merged company of the overseas telephone operations of the American Telephone and Telegraph Company.

(b) The advisability of requiring United States communication carriers in the international field to dissociate themselves from interests engaged in manufacturing, financing, or operating activities within foreign countries.

Pursuant to this invitation representatives of United States international communication carriers met with the Telecommunications Coordinating Committee on March 11, 1947 in room 474 of the Department of State, under the chairmanship of its Vice Chairman, Charles Denny,

Chairman of the Federal Communications Commission. The following companies were represented at the meeting:

American Cable and Radio Corporation, which owns Mackay Radio and Telegraph Company, Commercial Cable Company, and All America Cables and Radio, Inc.; Commercial Pacific Cable Company; RCA Communications, Inc.; the Western Union Telegraph Company; American Telephone and Telegraph Company; Tropical Radio Telegraph Company; Press Wireless, Inc.; Globe Wireless, Ltd.; United States-Liberia Radio Corporation.

On the subject of merger the following views were presented:

All of the carriers opposed mandatory merger legislation in any form or legislation which would require a given percentage of carriers to merge before merger would become effective.

The American Cable and Radio Corporation, RCA Communications, Inc., and the Western Union Telegraph Company supported the principle of permissive legislation which would allow any two or more international communication carriers to merge, subject to approval by the appropriate regulatory authority. These carriers believed that the legislation should permit inclusion in the merger of the overseas telephone operations of the American Telephone and Telegraph Company. The American Cable and Radio Corporation and RCA Communications further stated that, if no provision was made for permissive inclusion in the merger of the American Telephone and Telegraph Company, the latter should not be permitted to engage in overseas record communication service but should be confined to voice communication service.

The American Telephone and Telegraph Company stated that it has no objection to the enactment of permissive legislation whereby two or more international radiotelegraph and cable companies could lawfully merge, after hearings and an administrative determination that public interest would be served thereby.

The Tropical Radio Telegraph Company was

opposed to any legislation providing for merger, whether permissive or mandatory.

Press Wireless, Inc., felt that any permissive merger legislation should allow any company to be included in the merger and was opposed to any legislation which might have the indirect effect of forcing Press Wireless into a merger. If permissive legislation were enacted this carrier felt that such legislation should clearly leave Press Wireless free to continue independent competing operations if it so chose.

The representative of Globe Wireless, Ltd., favored permissive merger legislation, but was unable to commit his company on the subject at the time of the meeting.

United States-Liberia Radio Corporation also favored permissive merger legislation, if such legislation would result in promoting several strong units in the field, but would not favor the creation of a complete monopoly. This company had no position with respect to the exclusion from a merger of the American Telephone and Telegraph Company, but believed that there might be a basis for exclusion of specialized activities such as specialized press services or telephone services.

Commercial Pacific Cable Company had no views to present at the meeting.

With respect to the separate question of dissociating American communication carriers in the international field from interests engaged in manufacturing, financing, or operating activities with foreign countries, it was pointed out that consideration of this matter did not involve the question of operating foreign terminals of communication circuits with the United States, but related only to the operation of internal communication systems within foreign countries and of manufacturing and financing activities in foreign countries.

On this subject the following views were presented by the representatives of the carriers: The American Cable and Radio Corporation and Tropical Radio Telegraph Company opposed any requirement for severance of American communication carriers from the foreign operations described above. The other carriers represented had no position on the matter.

Protocol Prolonging the International Agreement Regarding the Regulation of Production and Marketing of Sugar¹

THE PRESIDENT'S LETTER OF TRANSMITTAL

THE WHITE HOUSE,
February 28, 1947.

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of a protocol dated in London August 30, 1946, prolonging for 1 year after August 31, 1946, the international agreement regarding

the regulation of production and marketing of sugar, signed at London on May 6, 1937.

I transmit also for the information of the Senate the report made to me by the Secretary of State with respect to this matter.

HARRY S. TRUMAN

(Enclosures: (1) Report of the Secretary of State; (2) certified copy of the protocol of August 30, 1946.)²

REPORT OF THE SECRETARY OF STATE

DEPARTMENT OF STATE,
Washington, February 27, 1947.

The PRESIDENT,
The White House:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a certified copy of a protocol dated in London August 30, 1946, prolonging for 1 year after August 31, 1946, the international agreement regarding the regulation of production and marketing of sugar, signed at London on May 6, 1937.

The protocol of August 30, 1946, was signed for the Government of the United States of America and 17 other governments as follows: The Union of South Africa, the Commonwealth of Australia, Belgium, Brazil, Cuba, Czechoslovakia, the Dominican Republic, the French Republic, the United Kingdom of Great Britain and Northern Ireland, Haiti, the Netherlands, Peru, the Republic of the Philippines, Poland, Portugal, the Union of Soviet Socialist Republics, and Yugoslavia. Reservations requiring ratification of the protocol were made on behalf of the United States of America and the Republic of the Philippines.

Detailed information on the background, purposes, and application of the international sugar agreement of May 6, 1937, may be found in Senate Executive T, Seventy-fifth Congress, first session, and Senate Executive J, Seventy-eighth Congress, second session. In brief, the agreement had for its purpose the establishing and maintaining of an orderly relationship between the supply and demand for sugar in the world market, on bases equitable to both producers and consumers. The agreement was the result of intergovernmental negotiations initiated at the World Monetary and Economic Conference in 1933 and culminating in the International Sugar Conference which met in London April 5, 1937. Since the United States of America is the largest consumer and the largest importer of sugar in the world, and also one of the largest sugar-producing areas of the world, the United States Government took an active part in the drafting of the agreement at the Conference in 1937.

Provision was made in the agreement for the establishment in London of a permanent organization, the International Sugar Council, in which all countries parties to the agreement are represented with a view to regulating the sugar market in a way which is fair to each country and to consumers as well as producers. Under authority of the Sugar Act of 1937 approved September 1, 1937,

¹ S. Exec. E, 80th Cong., 1st sess.

² Protocol not printed.

s amended, and other measures enacted by Congress (50 Stat. 903; 52 Stat. 26, 747; 53 Stat. 632, 75; 54 Stat. 1178; 55 Stat. 438, 872; 56 Stat. 694, 95; 57 Stat. 398, 418; 58 Stat. 283, 430, 453, 741; 59 Stat. 141, 158), the United States Government has taken measures for cooperation with the Governments of other countries with a view to the international regulation of the production and marketing of sugar and has participated and continues to participate in the work of the International Sugar Council.

A protocol dated in London July 22, 1942, to reinforce and to prolong the agreement for a period of 2 years after August 31, 1942, was signed on behalf of 15 governments, including the United States of America. As indicated in Senate Executive J and Senate Executive Report No. 5, Seventy-eighth Congress, second session, it is the understanding of the Department of State that, in becoming signatories of the protocol of July 22, 1942, the governments were desirous of regularizing in a definitive way the measures which had been taken by each of them beginning September 1, 1937, in pursuance of the principles and purposes of the agreement, and were desirous also that despite the difficulties which might be encountered in carrying out certain of the purposes of the agreement there should be maintained between the respective interested governments the bases for cooperation which had been established by the agreement.

It has been the desire of interested governments to maintain these bases for cooperation in regulation of the world sugar market, and the absence of any definitive action for revising the agreement, that has resulted in the formulation and signing in London of the additional protocols dated, respectively, August 31, 1944 (S. Ex. J and Ex. Rept. No. 5, 78th Cong., 2d sess.), August 31, 1945 (S. Ex. B and Ex. Rept. No. 2, 79th Cong., 2d sess.), and August 30, 1946, prolonging the agreement of 1937, with the exception of chapters III, V, and V. It is the protocol of August 30, 1946, of which a certified copy is enclosed herewith. The protocols of 1944, 1945, and 1946 contain provisions which are identical in substance.

The agreement of May 6, 1937, together with the 1942 and 1944 protocols, was proclaimed by the President on April 20, 1945, and has been published

as Treaty Series 990 (59 Stat. 922). Advice and consent to ratification of the protocol of August 31, 1945, was given by the Senate on April 17, 1946. That protocol, ratified by the President on May 1, 1946, and proclaimed by him on June 10, 1946, has been printed as Treaties and Other International Acts Series 1523.

The present protocol has a preamble and five articles. Article 1 provides that, subject to the provisions of article 2, the agreement of May 6, 1937, shall continue in force between the governments signatory of the protocol for a period of 1 year after August 31, 1946.

Articles 2, 3, and 4 are identical with their counterparts in the 1944 and 1945 protocols. Article 2 provides that during the period specified in article 1 the provisions of chapters III, IV, and V of the agreement shall be inoperative. Article 3 provides that the signatory governments recognize revision of the agreement is necessary and should be undertaken as soon as the time appears opportune, with the existing agreement constituting a basis for discussion of any such revision. It is provided also in article 3 that, for the purpose of such a revision of the agreement, due account shall be taken of any general principles of commodity policy embodied in any agreements concluded under the auspices of the United Nations. Article 4 provides that before the conclusion of the period of 1 year specified in article 1 the contracting governments will, if the steps contemplated in article 3 have not been taken, discuss the question of a further renewal of the agreement.

It is provided in article 5 that the protocol shall be dated August 30, 1946, and shall remain open for signature until September 30, 1946, provided, however, that any signature appended after August 30, 1946, shall be deemed to have effect as from that date.

In view of the fact that the present protocol prolongs the agreement of May 6, 1937, for a period of only 1 year after August 31, 1946, it is believed that the action of the United States of America with respect to this protocol should be completed as soon as practicable.

Respectfully submitted.

G. C. MARSHALL

(Enclosure: Certified copy of the protocol of August 30, 1946.)³

³ Protocol not printed.

Agreement Between U.S. and Philippines on Military Bases

STATEMENT BY ACTING SECRETARY ACHESON

[Released to the press March 14]

Three weeks after Pearl Harbor, when American and Filipino soldiers were fighting shoulder to shoulder against the Japanese aggressor, President Roosevelt crystallized the sentiment of the American people in a pledge:

"I give to the people of the Philippines my solemn pledge that their freedom will be redeemed and their independence established and protected."

Since then, that freedom has been redeemed and that independence firmly established. Today an essential step has been taken concerning the last part of the pledge with the signature in Manila of an agreement establishing United States rights to the use of a small number of military bases in the Philippines.¹

This agreement is based upon the primary concern and desire of the two Governments to make suitable arrangements for mutual protection, as specifically authorized by the two Congresses in joint resolutions.

President Roxas has informed this Government that the Philippine Congress and the Filipino people desire the maintenance of United States bases in the Philippines. The present agreement was accordingly concluded.

In the negotiations, the two Governments have been constantly guided by the principle of respect for each other's sovereignty, by the mutuality of

their interests, by regard for their equality of status as members of the United Nations, and by the commitments of both nations to the purposes and principles of the United Nations. As one example the agreement provides that, in the interests of international security, any of the bases may be made available to the Security Council of the United Nations by prior mutual agreement of the United States and the Republic of the Philippines.

In addition to the establishment of bases the Philippine Government has requested that a small military mission be sent by the United States to give appropriate advice and assistance in defense problems of the Philippines. This Government intends to comply with this request, as authorized by the Congress.

The United States proposes to retain in the Philippines only such armed forces as are required to man the bases and to constitute the military mission. Troops now in the Philippines not required for these purposes will be shifted to other areas to continue support of the occupation of Japan.

The present agreement will contribute to international security and peace in the Pacific and will supplement and support such future arrangements for world peace as may be reached under the Security Council of the United Nations.

The International Oil Picture

BY CHARLES RAYNER²

The total presently known oil reserves of the world outside of continental United States approximate 42 billion barrels. Of this amount

¹ Made upon signature of agreement in Manila on Mar. 14, 1947. For text of agreement see Department of State press release 193 of Mar. 19, 1947.

² Excerpts from an address delivered before the Illinois Oil and Gas Association at Mt. Vernon, Ill., on Mar. 13. For complete text, see Department of State press release 186 of Mar. 12, 1947. Mr. Rayner is Petroleum Adviser, Department of State.

American interests own or hold under concession about 17 billion barrels, British-Dutch interests a similar amount, the U.S.S.R. 6 billion barrels and other interests 2 billion barrels. Reserves in the United States as of January 1 this year are placed at slightly over 21 billion barrels, of which 95 percent, or 20 billion barrels, are owned by American nationals. Thus the oil interests of American nationals world-wide expressed in terms of reserves owned or under concession are approximately as follows:

<i>Continental</i>							
<i>United States</i>	20	out of a total of 21 billion bbls.					
<i>Balance West-</i>							
<i>ern Hemisphere</i>	6	" " " " " 9	"	"	"	"	"
<i>Middle East</i>	10½	" " " " " 26	"	"	"	"	"
<i>Netherlands</i>							
<i>East Indies</i>	½	" " " " " 1	"	"	"	"	"
<i>Total-----</i>	37	billion barrels					

or equivalent to about 59 percent of the total known reserves

. . . In the year 1938 the daily average production in the United States was 3,327,000 barrels. During that year we imported 148,800 barrels per day and exported 530,800 barrels. In 1946 the daily average production had increased to 4,745,000 barrels. During the year 1946, our daily imports were 369,000 barrels and our exports 412,000 barrels. There are two comparisons that I should like to call to your attention in connection with these figures. The first is that the normal increasing yearly upward trend in production in the United States had reached an all-time high of 175,000 barrels per day average over the eight-year period from 1938 to 1946. This is equivalent to increased production of 1,000,000 barrels per day every six years. The second comparison is that during 1938 our exports were in the ratio of almost 4 to 1 to our imports, whereas during 1946 our imports had increased to a point where they were almost equivalent to the export quantity. I should like to add one more fact—that in the year 1940 we were producing in the United States at a rate which was 1,200,000 barrels per day below the maximum efficient rate of production. That margin of safety went a long way toward meeting the extraordinary production demands of the second World War. Today that margin of safety has disappeared, for we are now currently producing up to the maximum efficient rate.

In considering the political importance of oil, it is significant to note that in all countries in which oil is under concession to foreign interests, with the exception of the United States, oil rights are the property of the sovereign state and all negotiations for concession rights and the development of oil resources must therefore be carried on with the government concerned. Consequently, private American industry must of necessity deal with a foreign government, and as negotiations grow in size and importance so also does the entire matter become of greater political significance and involve deeper political implications. This is particularly

true when the country involved is relatively economically undeveloped and is suddenly faced with the discovery of potentially great wealth within its boundaries. Since these resources are ultimately exhaustible it would seem reasonable to assume that there should be some measure of responsibility to cooperate appropriately in planning the wise expenditure of the funds received so that they contribute to developing the economic assets of the country concerned. It can readily be seen that such a problem would require delicate diplomatic handling. Obviously there could be no infringement of the sovereign rights of another country, and yet a friendly and good-neighbor policy unselfishly working for the advancement of both countries could not ignore the consequences that might develop from such a situation.

Petroleum problems of considerable importance are developing in regard to our industrial relations with countries and sheikdoms in the Middle East, and the knowledge and friendliness and unselfishness with which we attempt to solve them will be a measure of our political and diplomatic wisdom. I cannot stress the importance of this part of the world too strongly. With oil reserves known to be in excess, and potentially greatly in excess, of the known reserves of the United States and with a rapidly increasing production it may well be that the Middle East will ultimately become, as De Golyer has predicted, the center of gravity of world oil production. It is not difficult therefore to appreciate how important may be our political relationship with the various countries and the small sheikdoms that make up that part of the world. It seems to me essential therefore that, in all major operations, industry and government should cooperate closely, to the end that the best national interest may be served, while at the same time fully respecting the sovereign rights of the country in which the oil resources are found.

I consider it a logical and inevitable development in the history of international oil that the two great producing nations of the world should have developed in consultation with their petroleum industries an Anglo-American oil agreement as a preliminary step to the formulation of a multilateral agreement to which all interested producing and consuming countries would be invited to subscribe. Such is the agreement that is now before the Foreign Relations Committee of the

United States Senate for the advice and consent of the Senate to its ratification. It deals with the orderly development of international oil; it is entirely voluntary with no executive authority and sets up an advisory and consultative body known as the International Petroleum Commission, which will have close and continuing contact with the oil industry.

It would seem to me logical in this discussion of the importance to this country of its interest in international oil trade to conclude with what I firmly believe will be accomplished by the adoption of the Anglo-American oil agreement. In the first place it gives official recognition to principles that have formed the basic foundation of our foreign trade—such principles as the wide availability of oil on a competitive and non-discriminatory basis, the respect of the concession rights, the protection of the interests of the producing country, and the insistence upon the right of equal opportunity. Furthermore, it provides for industry-government collaboration in meeting problems of vital concern and by such procedure should pave the way for resolving differences with foreign governments at their inception and thus prevent them from growing into issues of major importance which may lead to drastic unilateral action. Finally, it seems to me—and this I consider the most important contribution of the agreement—that the very fact of the establishment of an international forum at which problems of common interest can be frankly and openly discussed provides a realistic basis for the promotion of international good-will and understanding in connection with an essentially important commodity.

THE DEPARTMENT

Departmental Regulations¹

133.34 Map Intelligence Division (MI): (Effective 2-6-47)

I FUNCTIONS. Under the general direction of the Director of the Office of Intelligence Collection and Dissemination (OCD) and in accordance with the over-all intelligence program established by the Special Assistant to the Secretary for Research and Intelligence, MI is responsible for:

A Serving the Department and other Federal agen-

¹ For other regulations on the Office of Intelligence Collection and Dissemination (OCD), see BULLETIN of Mar. 16, 1947, p. 507.

cies with the procurement, evaluation, analysis, and interpretation of foreign map and other cartographic intelligence. This includes:

1 Carrying on continuous research and analysis leading to the preparation and publication of reports on interpretive map evaluation coverage, and technical map intelligence on foreign areas.

2 Planning and initiating foreign map procurement by instruction, purchase or negotiation with foreign map agencies, and administering, professionally, such overseas outposts as may be established in the implementation of map procurement.

3 Participating in the development of coordinated inter-agency and inter-governmental mapping and map collection programs and procedures.

4 Processing and evaluating incoming intelligence materials involving map problems with respect to relevance, accuracy, and timeliness.

5 Planning adequate map intelligence facilities for use at international conferences.

6 Assisting other Offices of the Department in the selection and study of published maps required in the consideration of specific problems.

B Serving the Department and other Federal agencies by developing and preparing new maps and other cartographic materials. This includes:

1 Initiating basic mapping programs and developing cartographic techniques and methods of map presentation for the Department and other Federal agencies.

2 Planning, compiling, and preparing layout specifications for specialty maps.

3 Constructing final drawings and preparing specifications for map reproduction.

C Serving the Department and other Federal and non-Federal agencies by maintaining a comprehensive collection of maps, atlases, gazetteers, and other cartographic reference materials necessary to the consideration of international questions and other matters. This includes:

1 Routine procurement of published maps and atlases from domestic and foreign map agencies and publishing houses.

2 Maintaining a comprehensive map collection, and cataloging, indexing, filing, and lending these maps.

3 Furnishing reference facilities and advice in the selection of published maps, atlases, gazetteers, and other cartographic reference materials for specific use.

133.1 Special Assistant to the Secretary for Research and Intelligence: (Effective 2-6-47)

I POSITION. The Special Assistant to the Secretary for Research and Intelligence shall rank with the Assistant Secretaries.

II FUNCTIONS. The Special Assistant to the Secretary for Research and Intelligence shall be responsible for:

A Advising and assisting the Secretary in the development and implementation of a comprehensive and coordinated foreign intelligence program for the United States.

B Advising and assisting the Secretary in the development and implementation of a coordinated program for positive foreign intelligence needed by the Department of State, including the procurement of the requisite information and materials and the production of intelligence studies and spot intelligence pertinent to the formulation and execution of foreign policy.

C Developing, in collaboration with the appropriate geographic and functional Offices, such instructions to the field as may be required by the Departmental and national intelligence programs.

D Determining which of the information and materials flowing into the Department are required for the production of timely intelligence.

E Adopting, in consultation with the Assistant Secretary for Administration, such special security measures within the intelligence organization, in addition to Departmental security regulations, as in his judgment may be required by the nature of the work.

F Directing the Office of Intelligence Research (OIR) and the Office of Intelligence Collection and Dissemination (OCD).

G Serving as Chairman of the Advisory Committee on Intelligence (ACI).

H Representing the Secretary of State and the Department on the Intelligence Advisory Board (to advise the Director of Central Intelligence of the National Intelligence Authority), the Joint Intelligence Committee of the Joint Chiefs of Staff, and other high-level interdepartmental committees, and in all other relations with the Central Intelligence Group of the National Intelligence Authority and other interdepartmental intelligence agencies, including supervision of the Department's participation in such groups.

III ORGANIZATION. The Office of the Special Assistant to the Secretary for Research and Intelligence shall include such advisers, assistants, and appurtenant staff as may be necessary, as well as a Special Projects Staff (SPS) which shall serve the appropriate officials of the Department with information obtained from special interdepartmental sources and shall represent the Department on groups responsible for such sources.

133.20 Office of Intelligence Research (OIR): (Effective 2-6-47)

I FUNCTIONS. Under the general direction of the Special Assistant to the Secretary for Research and Intelligence, and pursuant to authority delegated by him, OIR is responsible for:

A Planning and coordinating research in accordance with a Departmental intelligence program, including:

1 Planning and coordinating regional functional research programs and organizing task groups as required for research projects;

2 Establishing priorities for individual research projects and compiling and circulating periodic reports on the the current status of Departmental intelligence projects;

3 Reviewing all intelligence research reports and disseminating finished reports; and

4 Promoting continuous, close, and informal relationships between its constituent Divisions and the geo-

graphic and functional Offices to provide immediate and timely intelligence required for their current operations.

B Providing positive intelligence research in regional and functional fields of study, and preparing or participating in the preparation of intelligence studies and spot intelligence for authorized recipients in the Department, the Central Intelligence Group (CIG), and other Federal agencies.

C Providing specified personnel and services for the Joint Intelligence Studies Publishing Board (JISPB).

D Maintaining liaison with other Federal agencies and with private institutions for the purpose of utilizing pertinent research facilities.

E Taking the initiative in developing, with the cooperation and consent of other Offices and Divisions engaged in research of any character, a joint program for the exchange of information, the acceptance of common standards, the sharing of facilities, the issuance of joint progress reports, and the coordination of research work throughout the Department.

II ORGANIZATION. OIR shall consist of:

A Office of the Director, including a Priorities and Review Staff.

B Division of Research for American Republics (DRA).

C Division of Research for Europe (DRE).

D Division of Research for Far East (DRF).

E Division of Research for Near East and Africa (DRN).

F Division of International and Functional Intelligence (IFI).

III FUNCTIONS OF THE OFFICE OF THE DIRECTOR. The Office of the Director shall be responsible for planning, directing, and coordinating the work of the component Divisions of the Office and for directing Department of State participation in JISPB.

133.21 Division of Research for American Republics (DRA): (Effective 2-6-47)

I FUNCTIONS. Under the general direction of the Director of the Office of Intelligence Research (OIR) and in accordance with the over-all intelligence program established by the Special Assistant to the Secretary for Research and Intelligence, DRA is responsible for:

A Planning and implementing a program of intelligence research and analysis to meet the Department's requirements for intelligence in respect to the area of responsibility of the Division.

B Providing positive intelligence on the Latin American countries to meet the Department's requirements for the formulation of the foreign policy of the United States.

C Collaborating with the Office of Intelligence Collection and Dissemination (OCD) in planning and implementing the Department's program for the procurement of intelligence materials from all sources, currently evaluating, as an integral part of the research process, incoming materials with a view to improving the relevance, accuracy, and timeliness of the reporting sources.

D Preparing intelligence studies and spot intelligence for authorized recipients in the Department, the

THE DEPARTMENT

Central Intelligence Group (CIG) and other Federal agencies.

E Maintaining continuous, close, and informal relationships with officials of the Office of American Republic Affairs (ARA) and the functional Offices to provide immediate and timely intelligence required for their current operations.

II AREA OF RESPONSIBILITY. The area of responsibility of DRA shall be as follows: Mexico and Central and South America, and the island republics of the Caribbean Sea; and secondary interests, in collaboration with the appropriate research Divisions, in countries which are closely related to the areas of primary responsibility;

III ORGANIZATION. DRA shall consist of the following:

- A Office of the Chief, including an Associate Chief and appurtenant staff as may be necessary.
- B Mexico and Caribbean Section.
- C North and West Coast Section.
- D River Plate and Brazil Section.
- E Functional Analysis Section.
- F Reference Section.

133.22 Division of Research for Europe (DRE): (Effective 2-6-47)

I FUNCTIONS. Under the general direction of the Director of the Office of Intelligence Research (OIR) and in accordance with the over-all intelligence program established by the Special Assistant to the Secretary for Research and Intelligence, DRE is responsible for:

A Planning and implementing a program of intelligence research and analysis to meet the Department's requirements for intelligence in respect to the area of responsibility of the Division.

B Providing positive intelligence on the European countries to meet the Department's requirements for the formulation of the foreign policy of the United States.

C Collaborating with the Office of Intelligence Collection and Dissemination (OCD) in planning and implementing the Department's program for the procurement of intelligence materials from all sources, currently evaluating, as an integral part of the research process, incoming materials with a view to improving the relevance, accuracy, and timeliness of the reporting sources.

D Preparing intelligence studies and spot intelligence for authorized recipients in the Department, the Central Intelligence Group (CIG) and other Federal agencies.

E Maintaining continuous, close, and informal relationships with officials of the Office of European Affairs (EUR) and the functional Offices to provide immediate and timely intelligence required for their current operations.

II AREA OF RESPONSIBILITY. The area of responsibility of DRE shall be as follows: all of continental Europe except European Turkey and Greece; the Soviet Union; Great Britain, Ireland, Australia, Canada, New Zealand, and the Union of South Africa; Algeria; European dependencies in South America and the Caribbean; and secondary interests, in collaboration with the appropriate research Divisions, in countries which are closely related to the areas of primary responsibility.

III ORGANIZATION. DRE shall consist of the following:

- A Office of the Chief, including an Associate Chief and appurtenant staff as may be necessary.
- B Central European Branch.
- C Northern and Western European Branch.
- D Southern European Branch.
- E British Commonwealth Branch.
- F Eastern European Branch.

133.23 Division of Research for Far East (DRF): (Effective 2-6-47)

I FUNCTIONS. Under the general direction of the Director of the Office of Intelligence Research (OIR) and in accordance with the over-all intelligence program established by the Special Assistant to the Secretary for Research and Intelligence, DRF is responsible for:

A Planning and implementing a program of intelligence research and analysis to meet the Department's requirements for intelligence in respect to the area of responsibility of the Division.

B Providing positive intelligence on the countries of the Far East to meet the Department's requirements for the formulation of the foreign policy of the United States.

C Collaborating with the Office of Intelligence Collection and Dissemination (OCD) in planning and implementing the Department's program for the procurement of intelligence materials from all sources, currently evaluating, as an integral part of the research process, incoming materials with a view to improving the relevance, accuracy, and timeliness of the reporting sources.

D Preparing intelligence studies and spot intelligence for authorized recipients in the Department, the Central Intelligence Group (CIG), and other Federal agencies.

E Maintaining continuous, close, and informal relationships with officials of the Office of Far Eastern Affairs (FE) and the functional Offices to provide immediate and timely intelligence required for their current operations.

II AREA OF RESPONSIBILITY. The area of responsibility of DRF shall be as follows: China, Korea, Japan, Republic of the Philippines, Siam, French Indo-China, Malayan Union and Singapore, Netherlands East Indies, and other islands and territories in this area; and secondary interests, in collaboration with the appropriate research Divisions, in countries which are closely related to the area of primary responsibility.

III ORGANIZATION. DRF shall consist of the following:

- A Office of the Chief, including an Associate Chief and appurtenant staff as may be necessary.
- B China Branch.
- C Japan Branch.
- D Southern Areas Branch.

133.24 Division of Research for Near East and Africa (DRN): (Effective 2-6-47)

I FUNCTIONS. Under the general direction of the Director of the Office of Intelligence Research (OIR) and in accordance with the over-all intelligence program estab-

led by the Special Assistant to the Secretary for Research and Intelligence, DRN is responsible for:

A Planning and implementing a program of intelligence research and analysis to meet the Department's requirements for intelligence in respect to the area of responsibility of the Division.

B Providing positive intelligence on the countries of the Near East and Africa to meet the Department's requirements for the formulation of the foreign policy of the United States.

C Collaborating with the Office of Intelligence Collection and Dissemination (OCD) in planning and implementing the Department's program for the procurement of intelligence materials from all sources, currently evaluating, as an integral part of the research process, incoming materials with a view to improving the relevance, accuracy, and timeliness of the reporting sources.

D Preparing intelligence studies and spot intelligence for authorized recipients in the Department, the Central Intelligence Group (CIG), and other Federal agencies.

E Maintaining continuous, close, and informal relationships with officials of the Office of Near Eastern and African Affairs (NEA) and the functional offices to provide immediate and timely intelligence required for their current operations.

AREA OF RESPONSIBILITY. The area of responsibility of DRN shall be as follows: all of Africa, except Algeria and the Union of South Africa; all the Near and Middle Eastern countries, including Greece, India, and Burma; and secondary interests, in collaboration with the appropriate research Divisions, in countries which are closely related to the areas of primary responsibility.

I ORGANIZATION. DRN shall consist of the following:

A Office of the Chief, including an Associate Chief and appurtenant staff as may be necessary.

B African Branch.

C Near Eastern Branch.

D Middle Eastern Branch.

3.25 Division of International and Functional Intelligence (IFI): (Effective 2-6-47)

FUNCTIONS. Under the general direction of the Director of the Office of Intelligence Research (OIR) and in accordance with the over-all intelligence program established by the Special Assistant to the Secretary for Research and Intelligence, IFI is responsible for:

A Planning and implementing a program of research and analysis on functional subjects and those which extend across regional lines, to meet the Department's requirements in those fields of study, for determination of the foreign policy of the United States.

B Integrating, for implementation of the Departmental intelligence program, the resources for functional research which are available throughout the Department, other Federal agencies, and in private organizations.

C Providing positive intelligence in functional fields of study, and preparing or participating in the preparation of intelligence studies and spot intelligence for authorized recipients in the Department, the Central Intelligence Group (CIG), and other Federal agencies.

D Collaborating with the Office of Intelligence Collection and Dissemination (OCD) in planning and implementing the Department's program for the procurement of intelligence materials from all sources, currently evaluating, as a part of the research process, incoming materials with a view to improving the relevance, accuracy, and timeliness of the reporting sources.

E Maintaining continuous, close, and informal relationships with officials of the geographic and functional Offices to provide immediate and timely intelligence required for their current operations.

II ORGANIZATION. IFI shall consist of:

A Office of the Chief, including an Associate Chief and such consultants and appurtenant staff as may be necessary.

B Trade and Finance Section.

C Transport and Communications Section.

D Food and Agriculture Section.

E Social and Cultural Affairs Section.

F Population and Labor Section.

G Natural Resources Section.

H Industrial Resources Section.

I Technological Developments Section.

III FUNCTIONS OF COMPONENT SECTIONS. Under the direction of the Chief, IFI, the functions of the sections shall be to conduct and correlate intelligence research in functional and inter-regional fields, as follows:

A Trade and Finance Section: trade, commercial policies, balance of payments, flow of investment, and other financial, monetary, and fiscal questions, and the position and policies of all countries in these matters.

B Transport and Communications Section: telecommunications and transport by land, water, and air, and the position and policies of all countries in these matters.

C Food and Agriculture Section: agricultural resources, production and distribution, and standards of living throughout the world.

D Social and Cultural Affairs Section: education, public opinion, modes and methods of cultural expression, health and social welfare, treatment of minorities and displaced persons, native policies in dependent areas, and other aspects of social and cultural developments.

E Population and Labor Section: ethnic, demographic, and occupational situations, governmental policies in employment, organization of labor, immigration, emigration, and wages.

F Natural Resources Section: mineral and other natural resources and industries, consumption trends, processes and development, and governmental policies and control.

G Industrial Resources Section: industrial and economic developments, with reference to trends in organization and corporate structure, government controls and nationalization, exploitation of resources and application of research.

H Technological Developments Section: foreign technological developments of a non-military nature, together with such military technological research as is significant, economically or politically, to the formulation of foreign policy.

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Contributors

Elizabeth H. Armstrong and *William I. Cargo*, authors of the article on the trusteeship system of the United Nations, are members of the staff of the Division of Dependent Area Affairs, Office of Special Political Affairs, Department of State; Miss Armstrong is Specialist in Dependent Area Affairs and Mr. Cargo is Assistant in Dependent Area Affairs.

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**Moscow Meeting of the Council of Foreign Ministers:
Problems Relating to Reparations From Germany****STATEMENTS BY THE SECRETARY OF STATE****Status of War Plants in U. S. Zone¹**

The United States holds that the provisions of the Potsdam protocol for the delivery of plants for reparations and for the economic unification of Germany to include a common export-import plan must be carried out concurrently. In order that sufficient resources may be retained, as required by the Potsdam protocol, to enable Germany to become self-supporting without external assistance, the economic resources which will be available to Germany after reparations have been removed must be known. The United States has consistently sought an agreement for the establishment of central German administrative agencies to carry out administratively the principles of economic unification. It has also sought the adoption of a common export-import plan: an interim Allied Control Council agreement was secured which called for the formation of such a plan by October 31, 1945. However, this agreement has not been fulfilled.

When persistent efforts to secure economic unification failed, the United States Representative on the Allied Control Council announced the suspension of further dismantling of plants for reparations purposes. This action was required as a protective measure as the United States could not permit the further removal of industrial equipment from the United States zone of Germany in the face of a recurring financial deficit unless it could be assured that the United States zone of Germany would share in the resources of all Germany.

In order that the resumption of reparations may take place promptly when the other provisions of the Potsdam protocol are met, the United States has supported a vigorous program to determine the plants to be made available for reparations and for

their prompt valuation. It has continued to dismantle and deliver at the request of the countries to which these plants were assigned 24 major plants included in the program for advance reparations deliveries. It has also dismantled completely 80 of the 117 war plants in its zone and has made the general-purpose equipment in these plants available for allocation and delivery. It will complete the liquidation of the remaining war plants during the present calendar year.

In addition to the 117 war plants and the 24 plants approved for advance delivery, there are 251 plants in the United States zone approved for valuation under the presently agreed level of industry; 1,593 plants remaining to be valued were approved only in October and November 1946, and their valuation will be completed on schedule.

The current status of reparations from the three western zones is:

174 plants allocated.

524 additional plants approved by the Coordinating Committee for valuation.

808 plants in the machinery and optic industries approved for valuation, with reservation.

Several hundred additional plants are at various stages of approval in the Allied Control Authority.

A total of 2,000 plants, more or less, have been selected for reparations by the Allied Control Authority.

However, the United States considers that these figures should be regarded as tentative. Specific determination should be made of the plants to be left in Germany to enable it to be self-supporting. This determination should give consideration to population density and to final fixing of bound-

¹ Made on Mar. 17, 1947, and released to the press in Moscow on that date and in Washington on Mar. 18.

aries. Experience during the past 20 months has indicated that the redevelopment of a self-supporting Germany is not an easy task. However, the occupying powers cannot be expected to support the German economy indefinitely. While the basic principle to leave a self-supporting economy in Germany established in the Potsdam protocol is sound, the Allied Control Council should reexamine the presently calculated level of industry without delay to determine its adequacy for the purpose. This can be done successfully only if full information is made available in each zone of occupation.

The United States Delegation hopes that agreement may be reached here on the provisions of the Potsdam protocol which have not been carried out, so that reparation deliveries may be resumed.

U. S. Position on the Potsdam Agreement¹

I wish to make completely clear the position that the United States has consistently taken with regard to the relation of the Potsdam agreement on reparations to the Yalta protocol.

Immediately upon his return from Potsdam, before any question was raised as to the scope or meaning of the Potsdam agreement or its relation to the Yalta agreement, President Truman in a public address on August 9, 1945 clearly stated his understanding of the Potsdam agreement. I will read to you exactly what he said: "At the Crimea Conference a basis for fixing reparations had been proposed for initial discussion and study by the Reparations Commission. That basis was a total amount of reparations of 20 billion dollars. Of this sum, one half was to go to Russia, which had

suffered more heavily in the loss of life and property than any other country. But at Berlin the idea of attempting to fix a dollar value on the property to be removed from Germany was dropped. To fix a dollar value on the share of each nation would be a sort of guaranty of the amount each nation would get—a guaranty which might not be fulfilled. . . . This formula of taking reparations by zones will lead to less friction among the Allies than the tentative basis originally proposed for study at Yalta."²

In July 1946 at Paris the question of German reparations was discussed in the Council of Foreign Ministers. At that time Mr. Molotov presented the same arguments regarding the Yalta agreement which he has put forth here.

Secretary Byrnes, who was present at the Yalta Conference and who, as Secretary of State, took an active part in working out the Potsdam Agreement on reparations, stated the view and position of the United States Government that the Potsdam agreement took the place of the preliminary agreement reached at Yalta. Secretary Byrnes pointed out the irrefutable fact and I quote from his statement: "The language read by Mr. Molotov showed what Mr. Roosevelt agreed to was only to study as a basis for discussion the suggestion of the Soviet Government. The language of the protocol shows that the Soviet proposal was passed to the Moscow Reparations Commission as one of the proposals to be considered by the commission." The position of the United States Government regarding reparations is that the agreements at Potsdam supersede the preliminary agreements previously reached at Yalta. We will not follow Mr. Molotov in a retreat from Potsdam to Yalta.

Progress Toward Economic Unification of Germany

STATEMENTS BY THE SECRETARY OF STATE

Fundamental Considerations by the U. S.¹

I have listened carefully to Mr. Bevin and Mr. Molotov. Mr. Molotov's first statement on eco-

nomic matters largely consisted of charges leveled against the actions and motives of the other Allied powers associated in the occupation and control of Germany. I do not agree with the basis or logic of much that he has said. But charges and counter charges get us nowhere except in the development of great differences. They do not solve our problems; they do complicate them.

Regarding Mr. Molotov's statement as to reparations, we Americans are keenly aware of the tre-

¹ Made on Mar. 18, 1947, and released to the press in Moscow on that date and in Washington on Mar. 19.

² BULLETIN of Aug. 12, 1945, p. 210.

³ Made on July 11, 1946, at a meeting of the Council of Foreign Ministers in Paris. Not printed.

⁴ Made on Mar. 17, 1947, and released to the press in Moscow on that date and in Washington on Mar. 19.

nendous losses in life and the destruction of industry and villages and cities suffered by the Soviet Union and of the individual suffering of the Soviet people, the horrors they were forced to endure and the gallantry with which they endured them.

The same applies though to a lesser extent to France and the people of France and to the United Kingdom and its people. It also applies to other United Nations. We Americans are, as I have said, keenly aware of this situation and what it means to the people of the devastated countries. We recognize the great, the vital contribution to the Allied victory of the Soviet armies and the colossal cost of their effort. I, personally, am on record officially in recognizing their contribution in my final report as Chief of Staff of the American Army.

In all of our discussions we will have these facts clearly in mind. I assure you of this.

I propose now to discuss what appear to the United States Delegation as the fundamentals which should govern economic unification and thereafter will discuss reparations.

I will adhere to my prepared remarks and will not at this time discuss some of the important points Mr. Molotov has raised and the definite proposals he has submitted.

The treatment of Germany as an economic unit is the key to the solution of Germany's economic problem. The failure to treat Germany as a single economic unit as was agreed in the Potsdam protocol has hampered the achievement of the basic purposes of the occupation and has precluded settlement of reparations.

The problem is considered under six headings:

1. The common use of indigenous resources.
2. An export-import plan.
3. Reparations.
4. Financial reform.
5. Freedom of movement.
6. Central German administrative agencies.

The solution of these questions today is vital to the success of the occupation and to the future peace of the world.

1. The Common Use of Indigenous Resources

The Potsdam agreement provides for "the equitable distribution of essential commodities between the several zones so as to produce a balanced economy throughout Germany and reduce the need for

imports." It is our view that this provision requires the elimination of zonal lines as economic boundaries. There must be free trade throughout Germany as a whole, common ration scales and the allocation of scarce commodities on common standards. Only in this manner can essential imports be minimized.

Requirements of occupying forces. The common use of indigenous resources necessitates agreement regarding the requirements of the occupying forces. Clearly the use of indigenous resources by the occupying forces reduces the indigenous supplies available for internal use and export and consequently increases the need for imports. Therefore, it is of common interest to each of the occupying powers that a comparable basis be agreed upon for the use of indigenous resources by all of the occupying forces.

Control of property by occupying powers. Unless foreign-owned German industry and other property is treated the same and subjected to the same rules as other German property the common use of German indigenous resources will be seriously affected. Foreign-owned plants no less than German-owned plants draw upon coal, manpower, and other indigenous German resources. For this reason they must be subject to the same control by German governmental authorities as regards allocation of raw materials and allocation and delivery of their products as German-owned plants and must be considered in every way an integral part of the German economy and subject to German law. Industrial plants owned by foreign private interests are now subject to regulation in the same manner and to the same degree that German-owned plants are regulated for allocation of raw materials and distribution of their product.

Incidentally, apropos of Mr. Molotov's references to foreign monopolies, no increase in foreign investments has taken place during American control or will be permitted under joint British and American regional control.

At present this same control does not exist with respect to the group of industries making up a substantial part of industry in the Soviet zone which is known as the Soviet *Aktien-Gesellschaft*. While the Soviet representatives have not yet furnished detailed information on this organization, it clearly has not been subject to the Allied Control Authority but has represented extraterritorial privileges exercised by a foreign government.

The question is also raised concerning the manner in which title to these plants was acquired and what values were given for this ownership. Continued ownership and control of these plants by an occupying power with extraterritorial privileges would appear to be inconsistent with the principles of economic unity agreed upon at Potsdam.

2. Export-Import Plan

Nineteen months ago it was agreed at Potsdam that a common export-import plan would be put in effect for all Germany. The Allied Control Council accepted an interim export-import plan and agreed to adopt a permanent plan by October 31, 1945. The history of our efforts to carry out this decision has been one of continuous frustration. Today we are no farther toward this goal than at Potsdam.

We understand that substantial quantities of goods have been taken out of the Soviet zone as reparations from current production despite the Potsdam provision that "the proceeds of exports from current production and stocks shall be available in the first place for payment for such imports."

Exports are defined to include all goods and services furnished from Germany except items of restitution and capital equipment shipped as reparations. Whether or not reparations from current production are technically called exports, it was never contemplated under the Potsdam agreement that anything of value other than agreed capital removals and restituted articles should be taken from the country except for proceeds of value which should be available for necessary imports. If that were not the case reparations would be taken which would deprive Germany of resources necessary to enable her to subsist without external assistance contrary to the expressed terms of the Potsdam protocol.

At the same time the American people are expending millions of dollars every month for necessary food imports to prevent starvation. Reconciliation of these contrasting financial positions is necessary. We cannot accept a unified Germany under a procedure which in effect would mean that the American people would pay reparations to an Ally.

To reach general agreement an understanding is also necessary among the occupying powers for sharing appropriately the cost of importing food

needed to prevent starvation until Germany herself can pay the bill with her own exports. Until these problems are resolved no common export-import plan is possible. The failure to reach common understanding on the sharing of the present deficit and on maintenance of the principle that payments for imports are a first charge against the proceeds of exports as laid down by the Potsdam agreement has so far prevented the treatment of Germany as an economic unit. The Allied Control Authority has had no report from the Soviet representatives as to the quantities of materials from current production that have been removed from Germany, but it is believed that these quantities have been substantial. We regard these removals to be inconsistent with the Potsdam agreement, which requires Germany to be treated as an economic whole and prescribes the common use of resources and the application of export proceeds in the first place to payment of imports.

3. Reparations

The close relationship between an export-import plan, the level of industry and economic unity on the one hand, and the program for the removal of industrial capital equipment as reparations on the other, must be recognized. Reparations will be discussed presently and I simply wish to record now that no real solution of the reparations problem will be possible until Germany is treated as an economic unit, as was agreed at Potsdam.

4. Financial Reform

The production and equitable distribution of goods in Germany are already severely handicapped by the excessive supply of money and the top-heavy debt structure resulting from the war. If the German economy is to become self-supporting, a monetary reform which will create a new money that labor regards as worth working for and for which businessmen wish to sell goods is imperative, together with the necessary increase in production so that sufficient goods are available for purchase.

5. Freedom of Movement

We have referred to the present zonal boundaries which now represent barriers to the movement of goods, persons and ideas throughout Germany. If we are to accomplish our objective, we

must clearly define these zonal boundaries as merely lines of demarcation between our occupying troops maintained only for the purpose of security. It follows then as a basic condition for economic unification that the Allied Control Authority must take measures to assure freedom of movement throughout Germany for both German and Allied personnel and also those measures necessary to assure the fundamental freedoms provided in the Berlin protocol on a Germany-wide rather than a zonal basis.

6. *Central German Administrative Agencies*

Although Germany was divided into zones for purposes of occupation, it was agreed by the three powers at Potsdam that "during the period of occupation Germany shall be treated as a single economic unit." In order to implement this decision, administratively, the agreement provides that "certain essential central German administrative departments, headed by state secretaries, shall be established, particularly in the fields of finance, transport, communications, foreign trade and industry.

The failure to carry out these provisions of the Potsdam accord has resulted in each zone commander managing his zone of occupation as a separate economy and dealing with the other zones at arm's length.

It is our view that the Potsdam agreement provides for the common use of indigenous resources to be implemented by central German agencies. The policies of the Allied Control Authority can be effectively carried out only if the German agencies are granted executive powers without interference from individual zone commanders.

We recommend that the central German agencies agreed at Potsdam, together with a food and agriculture agency which the report of the Allied Control Authority recommended as equally necessary, be established at the earliest possible date.

The relationship of the central German agencies to the Provisional German Government and to the several *Länder* will be discussed later under our agenda.

Progress toward economic unification. When the efforts of the American representatives in Berlin to carry out the Potsdam accord with respect to joining the economies of all four zones in Germany were unsuccessful over a period of many months, the United States became increasingly

concerned over the prospect of continued management of the German economy on a zonal basis and decided to take all possible steps toward joining as many of the zones as possible. As a result the United States Secretary of State, Mr. Byrnes, at the June 1946 Conference of Foreign Ministers invited each of the other occupying powers to join in economic unification with the United States zone.⁵ The invitation made it clear that any arrangements made by the United States with any of the other occupying powers would be open on equal terms to the remaining occupying powers at any time that they might be prepared to participate.

The fusion of the United States and British zones has been carried out in accordance with the principles of the Potsdam accord; economic boundaries between the zones have been abolished, indigenous resources are shared, export proceeds and import deficits are shared, and German agencies responsible for administration of the combined area have been established.⁶

The experience of these agencies now operating in the fields of transport, communications, finance, agriculture, industry, and foreign trade should be useful when, and I hope it will be soon, we are able to bring about the economic unification of all Germany.

In conclusion I regard the various problems as interdependent. A general solution must be found for all of them after full discussion in the Council if we are to accomplish the basic purpose of creating a sound structure for a self-sustaining Germany powerless to reestablish its former military power.

I have a specific directive to propose which I will now present for translation and circulation.

Directive to the Allied Control Authority for Germany on Treatment of Germany as Single Economic Unit⁷

The Council of Foreign Ministers directs the Allied Control Authority in Germany to proceed forthwith with the measures necessary to provide for the treatment of Germany as a single economic unit.

⁵ BULLETIN of Nov. 24, 1946, p. 940.

⁶ BULLETIN of Dec. 15, 1946, p. 1102.

⁷ Presented at a meeting of the Council of Foreign Ministers in Moscow on Mar. 17, 1947, and released to the press in Moscow on the same date and in Washington on Mar. 18.

A. The Allied Control Authority shall take the following action with respect to the establishment and operation of German central administrative departments:

1. Establish German central administrative departments headed by German state secretaries under the supervision and control of the Allied Control Authority but reporting to a German provisional government when it is formed. These departments shall be established in the fields of finance, transport, communications, industry, foreign trade, food and agriculture and such other fields as the Allied Control Authority may consider necessary and appropriate; and these departments shall be authorized to deal with problems in these fields which require nationwide action.

2. Issue policy directives as required for the guidance of these departments including directives specifying the extent to which administrative functions are to be apportioned between the central departments and the *Länder*.

3. Empower the central departments and the German authorities of the several *Länder* to deal directly with each other without the intervention of the occupying authorities of any zone; empower the central departments to issue instructions directly to the German *Länder* authorities as necessary to carry out their responsibilities in the several fields mentioned above. The German *Länder* authorities shall be required to comply with these instructions. Zone commanders shall have authority over the central administrative departments only through or as directed by the Allied Control Authority.

4. The powers and functions herein given to the German central administrative departments shall be subject to such direct action as may be taken or such directions as may be given by the Allied Control Council or in event of disagreement in the Allied Control Council by a majority of its members.

B. The Allied Control Authority shall assure the treatment of Germany as an economic unit by adoption of common policies including the following:

1. (a) Indigenous products and imports shall be used on a common basis throughout Germany without regard to zonal boundaries. To this end commodities in short supply shall be allocated or

rationed on common standards and other commodities shall be freely traded;

(b) Agricultural production shall be maximized and industry reactivated along peaceful lines as soon as possible;

(c) An export-import program for Germany as planned shall be instituted promptly to enable Germany to pay for approved imports at the earliest possible date taking into account the importance of German exports to the European recovery. Any interim deficit in the German balance of international payments shall be borne among the occupying powers as may be agreed in the Allied Control Council.

2. A program for financial reform shall be adopted as soon as possible to eliminate excess purchasing power in order to restore the internal and foreign-exchange value of the German currency and to provide the necessary incentive to increase production.

3. With a view to the prompt implementation of financial reform the Allied Control Authority shall proceed immediately to the printing of a new currency under full quadripartite control in Berlin.

4. Appropriate measures shall be taken to insure that all German manpower production and property in Germany, including property owned in the whole or in part by non-Germans, shall be treated as part of the resources of the German economy and shall be subject to the measures outlined above and the decisions and directives of the ACA and of the appropriate German authorities and to German law. The acquisition of ownership or control of any economic entity in Germany by any foreign power or its nationals from the beginning of the occupation to the dissolution of the quadripartite government shall only be valid if approved by the Allied Control Council.

5. An overall limitation shall be established on the use of indigenous resources by the occupying powers. Within the limitation to be established requirements of the occupying forces (and organizations of the occupying powers) shall be determined on a common basis by the Allied Control Authority and not by individual zone commanders. A plan for the uniform financing and screening of occupation requirements shall be prepared by the Allied Control Council.

C. The Allied Control Authority shall eliminate

zonal boundaries as political and economic barriers leaving only lines of demarcation for security troops of the occupying powers. To this end and as a condition for economic unification the Allied Control Authority shall take measures necessary to assure freedom of movement throughout Germany for both German and Allied personnel and to assure the fundamental freedoms provided in the Berlin protocol in all parts of Germany without interference by zonal occupation authorities.

Scope and Form of the Provisional Political Organization of Germany ¹

As a result of the defeat of the German armed forces, the German Government and administrative machinery were completely destroyed. The totalitarian system of Hitler disappeared, but there still remain more than 65 million Germans within occupied Germany. The victorious Allied powers were forced to take over the responsibilities of the shattered German state, but this represented only a temporary solution.

The Control Council is not, nor can it ever be, a substitute for a German government. Nor did the United States intend to deny to the German people the right to manage their own affairs as soon as they were able to do so in a democratic and peaceful way, with genuine respect for human rights and fundamental freedoms.

Under the Potsdam protocol, the Allies undertook to decentralize the structure of the German state and to develop local responsibility. Accordingly, the United States within its zone had sought to give vitality to local and municipal governments and to endow appropriate *Länder* authorities with a larger measure of autonomy in accordance with constitutions ratified by the people. The other occupation authorities, we understand, have taken somewhat similar action.

The time has now come to authorize the Germans to establish a provisional government to deal with matters of a nation-wide concern which the states cannot adequately handle. No German government can function unless the basic essentials on which German economic unity depends are agreed upon and implemented by all four powers, and unless effective guaranties exist for the safeguarding of the fundamental freedoms in all parts of Germany. That is the indispensable basis without

which no German government, be it provisional or permanent, can be constituted.

The process of building a German government should be accomplished, in our opinion, in the following three stages:

First, the establishment of a provisional German government composed of the heads of the governments of the now existing states and *Länder*, including Berlin, and clothed with the necessary powers to create and operate central administrative agencies. In order that the provisional government may be truly representative, the establishment of *Länder* constitutions and elected *Länder* governments should be completed throughout Germany at an early date.

Second, the drafting and acceptance of a constitution which shall be German in origin, and which shall be consistent with democratic principles and the decentralization of governmental authority. By decentralization we mean that the central government shall be one of limited and carefully defined powers in matters where nationwide action is required. All residual powers shall be retained by the *Länder*. It should, of course, be understood that the constitution will be subject to the provisions of the peace settlement.

Third, the assumption of governmental authority by the central government created by the constitution and by the *Länder* authorities recognized by the constitution.

I will submit a proposal embodying these ideas. I feel that the process outlined above should be gotten under way at once so that there will be properly constituted German authorities which can carry out the terms of the peace settlement on which we are now working.

Proposal by the U. S. Delegation ²

Without prejudice to any position the United States may take under II-3(B) of the agenda of the Council of Foreign Ministers, the United States delegate proposes the following directive:

The Allied Control Council is instructed to:

1. Complete at an early date the establishment

¹ Presented by Secretary Marshall at the Council of Foreign Ministers in Moscow on Mar. 21, 1947, and released to the press in Moscow on that date and in Washington on Mar. 22.

² Released to the press in Moscow on Mar. 22.

of elected governments of the *Länder* (which term as used herein will include the city of Berlin).

2. Take the following action in connection with the establishment and operation of a provisional German government:

(A) Establish at an early date a German National Council as a provisional government, to be composed of the heads of the present *Länder* governments. Subject to such affirmative action as may be taken, or such directions as may be given by the Allied Control Council by a majority of its members, the German National Council shall be given control over the German central administrative agencies which may be established by the Allied Control Council to function in stated fields to the extent that nation-wide action is required. To the fullest extent possible, the decisions of the German National Council shall be carried out by and through the *Länder* governments.

(B) In the exercise of its authority, the Allied Control Council shall refrain from direct operation or detailed supervision of provisional-government activities. The zone commander, in his relationship to the provisional government and its agencies, shall be limited to acting as the agent of the Allied Control Council, except where a direct threat to the security of the occupation forces is involved.

3. Instruct the provisional government to prepare a democratic constitution, call a constitutional convention elected by the people according to electoral laws adopted by the several *Länder*, and submit the draft constitution to the convention for debate, revision, and adoption. The provisional government should thereupon submit the constitution to the Allied Control Council for final approval and, after obtaining that approval, should submit the constitution to the people for ratification not later than one year after the establishment of the provisional government. Such ratification shall require the majority of the total votes cast as well as the majority of those voting in each of the majority of the *Länder*.

4. Direct the provisional government to submit to the Allied Control Council for approval any modifications in the territorial composition of the provisional *Länder* necessary to form a German federal state composed of not less than 10 or more than 18 *Länder*. In determining the final composition of *Länder*, historic, economic, and cultural

considerations shall be taken into account. Enclaves and arbitrary deviations made on account of present zones of occupation should be limited.

5. Inform the provisional government that Allied approval of the constitution will depend upon fulfillment of the following conditions:

(A) That Germany be a democratic state in the sense that:

(1) All political power is recognized as originating with the people and subject to their control;

(2) The people have the opportunity to exercise that control through popular elections held at frequent intervals;

(3) Elections are conducted under conditions in which freely competing political parties submit their programs and candidates to the vote of the people at frequent intervals;

(4) Political parties are voluntary associations of citizens and no political party enjoys a privileged status;

(5) The basic rights of the individual including free speech, freedom of religion, freedom of assembly and association, and other equally basic rights of man are recognized and guaranteed;

(6) Individuals are protected from arbitrary arrest, search, and seizure and are guaranteed equality under the law.

(B) That the German government be one of limited powers and to insure this:

(1) Each state or *Land* shall determine election methods and control electoral processes;

(2) There shall be an independent judiciary which shall have the authority to settle disputes among the states and between the states and the central government, and to protect the constitutional rights of the individual;

(3) In the distribution of functions between the state and central governments it shall be provided that the central government is one of limited and carefully defined powers in matters where nation-wide action is required; such powers as police and internal security; culture, education, and religious affairs shall not be delegated to the federal government. The authority and means of the states to raise appropriate revenues shall not be impaired. Neither the federal nor state governments shall have the right to

maintain any military establishment whatsoever;

(4) Wherever possible the administration of federal government jurisdiction should be delegated to the states.

(C) That the constitution include a clause providing that the authority of the federal govern-

ment and the *Länder* shall be exercised in accordance with and subject to the provisions of the peace settlement, in accordance with and subject to the powers reserved by the Allied Control Council.

(D) That the constitution of each *Land* be democratic in character as that term is defined in paragraph 5(A) above.

Questions Relating to Austria¹

STATEMENTS BY THE SECRETARY OF STATE

German Assets in Austria

I circulated this morning among my colleagues an informal memorandum on the difficulties encountered in dealing with German assets under the Austrian treaty.

I will not take time to read the whole memorandum here. The purpose of the memorandum is to point out that the failure of the deputies to agree on this subject was one of the principal obstacles in the way of further progress on the Austrian treaty.

The memorandum points out that the deputies have reached an impasse over the technical issue of legal title to these assets. The memorandum suggests that if our deputies could be instructed to put aside or pass this technical issue of legal title and to consider the other and, to my mind, more important questions which are raised by the German asset problem, progress might be made. If our deputies could discuss and reach agreement on these other questions, the technical issue of title would become less important and also less of a difficulty.

These other questions to which I have just referred that need to be worked out are:

1. A definition of German assets in Austria.
2. The status of German assets in Austria under Austrian law.
3. Arbitration machinery to deal with disputes

as to the application of the agreed definition and status.

We are all agreed that we wish to recognize and carry out the Potsdam decisions on German assets in Austria. To do so and to avoid further controversy we should instruct our deputies to discuss and make every effort to agree upon the three questions which I have enumerated. I hope that my colleagues will agree that the deputies shall be so instructed.

Invitation to Austria

It is the view of the United States delegation that if it is the intention of the Council—and we hope it is—to make every effort to complete an Austrian treaty here, we should ask Austrian representatives to come here for consultation without delay. So far as the United States is concerned we do not regard Austria as an enemy country. We should not put the treaty in final form before we give Austria an adequate opportunity to present her views on the proposed clauses of the treaty.

I hope my colleagues will agree that Austria be invited at once to send representatives to Moscow to be available for consultation with the Council and the deputies on the Austrian treaty.

¹ Made on Mar. 21, 1947, and released to the press in Moscow on that date and in Washington on Mar. 22.

Resolution for Drafting Atomic Energy Agreements

Text of letter from the President of the Security Council to the Chairman of the Atomic Energy Commission transmitting the resolution concerning the first report of the Atomic Energy Commission adopted at the 117th meeting of the Security Council

11 March 1947.

SIR,

I have the honor to transmit the following resolution which was adopted by the Security Council at its 117th meeting held on 10 March 1947:¹

"The Security Council, having received and considered the First Report of the Atomic Energy Commission dated 31 December 1946, together with its letter of transmittal of the same date,

"*Recognizes* that any agreement expressed by the Members of the Council to the separate portions of the Report is preliminary since final acceptance of any part by any nation is conditioned upon its acceptance of all parts of the control plan in its final form;

"*Transmits* the record of its consideration of the First Report of the Atomic Energy Commission to the Commission;

"*Urges* the Atomic Energy Commission, in accordance with the General Assembly Resolutions of 24 January and 14 December 1946, to continue its inquiry into all phases of the problem of the international control of atomic energy and to develop as promptly as possible the specific proposals called for by Section 5 of the General Assembly Resolution of 24 January 1946, and by the Resolution of the General Assembly of 14 December 1946 and in due course to prepare and submit to the Security Council a draft treaty or treaties or convention or conventions incorporating its ultimate proposals;

"*Requests* the Atomic Energy Commission to submit a Second Report to the Security Council before the next session of the General Assembly."

I shall be grateful if you will be so good as to

bring this resolution to the attention of the Atomic Energy Commission.

I have [etc.]

OSWALDO ARANHA

President of the Security Council

His Excellency Mr. A. A. GROMYKO

Chairman of the Atomic Energy Commission

Third Session of Interim Commission of WHO

[Released to the press March 17]

The Department of State announced on March 17 that it has been notified that the third session of the Interim Commission of the World Health Organization is scheduled to convene at Geneva, Switzerland, on March 31, 1947, and will probably last about two weeks. The agenda is expected to include (a) a report of the Executive Secretary on the activities of the Commission since its last session (Geneva, Switzerland, November 4-13, 1946); (b) a report on transfer of certain UNRRA health functions to the Commission; (c) consideration of certain questions arising out of the transfer of the International Office of Public Health to the Commission; (d) administrative and budgetary questions; and (e) professional and technical questions.

The Interim Commission of the World Health Organization, set up at the International Health Conference at New York in June 1946, meets every four months. The purpose of these Commission meetings is to consider any urgent health problems arising in the interim prior to the establishment of the World Health Organization and to formulate plans for setting up the permanent organization.

The United States representative on the Interim Commission of the WHO is Dr. Thomas Parran, Surgeon General, United States Public Health Service. Dr. H. van Zile Hyde, the alternate United States representative, will attend the third session.

¹Security Council doc. S/296, Mar. 10, 1947.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

*Calendar of Meetings*¹

In Session as of March 23, 1947		
Far Eastern Commission	Washington	1946 Feb. 26
United Nations:		
Security Council	Lake Success	Mar. 25
Military Staff Committee	Lake Success	Mar. 25
Commission on Atomic Energy	Lake Success	June 14
Telecommunications Advisory Committee	Lake Success	Nov. 10
		1947
Economic and Social Council (ECOSOC): Fourth Session	Lake Success	Feb. 28
German External Property Negotiations (Safehaven):		1946
With Portugal	Lisbon	Sept. 3
With Spain	Madrid	Nov. 12
Inter-Allied Trade Board for Japan	Washington	Oct. 24
PICAO:		1947
Interim Council	Montreal	Jan. 7
Air Transport Committee: Sixth Session	Montreal	Jan. 13
Airworthiness Division	Montreal	Feb. 20
Airline Operating Practices Division	Montreal	Feb. 25
Inter-Allied Reparation Agency (IARA): Meetings on Conflicting Custodial Claims.	Brussels	Jan. 29
International Court of Justice	The Hague	Feb. 10
Council of Foreign Ministers	Moscow	Mar. 10
International Wheat Conference	London	Mar. 18
Scheduled for March-May 1947		
ILO:		
Committee of Experts on the Application of Conventions	Geneva	Mar. 24-29
Industrial Committee on Coal Mining	Geneva	Apr. 23
Industrial Committee on Inland Transport	Geneva	May 6
United Nations:		
Trusteeship Council	Lake Success	Mar. 26
Meeting of Experts on Passport and Frontier Formalities	Geneva	Apr. 14
Committee on Progressive Development and Codification of International Law.	Lake Success	May 1 (tentative).
ECOSOC:		
Subcommission on Statistical Sampling	Lake Success	Apr. 14 (tentative).
Subcommission on Protection of Minorities and Prevention of Discrimination.	Lake Success	Apr. 21 (tentative).
Fiscal Commission	Lake Success	Apr. 28 (tentative).
Preparatory Committee of Economic Commission for Europe	Geneva	Apr. 28 (tentative).
Subcommission on Freedom of Information.	Lake Success	May 5 (tentative).
Social Commission	Lake Success	May 26 (tentative).

¹ Prepared in the Division of International Conferences, Department of State.

Calendar of Meetings—Continued

		1947
World Health Organization (WHO): Third Session of Interim Commission.	Geneva	Mar. 31
International Wool Study Group	London	Mar. 31
Interparliamentary Union: 36th Plenary Session	Cairo	Apr. 7
International Conference on Trade and Employment: Second Meeting of Preparatory Committee.	Geneva	Apr. 10
UNESCO Executive Board	Paris	Apr. 10-12 (tentative).
International Red Cross Committee	Geneva	Apr. 14-26
PICAO: European-Mediterranean Special Air Traffic Control Conference.	Paris	Apr. 15
European Central Inland Transport Organization (ECITO): Seventh Session of the Council.	Paris	Apr. 17 (tentative).
Fifth International Hydrographic Conference	Monaco	Apr. 22
International Meeting of Marine Radio Aids to Navigation	New York and New London . .	Apr. 28-May 9
FAO:		
International Timber Conference	Marianske-Lazne, Czechoslovakia.	Apr. 28-May 10
Rice Study Group	Southeast Asia	May
International Refugee Organization (IRO): Second Part of First Session of Preparatory Commission.	Geneva	May 1
International Civil Aviation Organization (ICAO): First Meeting of General Assembly.	Montreal	May 6
Congress of the Universal Postal Union	Paris	May 6
International Radio Conference	Atlantic City	May 15
International Technical Committee of Aerial Legal Experts (CITEJA).	Montreal	May
International Emergency Food Council (IEFC): Fourth Meeting . .	Washington	May

Activities and Developments *

CONTROLS FOR JAPAN TO RELIEVE WORLD SHORTAGES¹

1. During the present period of world shortages Japan should supply, to the maximum extent consistent with the objectives of the occupation, goods needed in areas which, as a result of Japanese aggression, have been deprived of them during the

¹ Policy decision approved by the Far Eastern Commission on Mar. 14, 1947, and released to the press on the same date. A directive based upon this decision has been forwarded to the Supreme Commander for the Allied Powers for implementation.

war. Whenever necessary to attain these objectives, Japanese consumption of such goods should be restricted to minimum requirements.

2. *Restriction of Japanese domestic consumption*

(a) Whenever it is necessary in order to attain the objectives stated in paragraph 1, Japanese consumption of textiles and necessary consumption goods such as hardware, rubber goods, pottery and electrical goods, which before the war found a ready market in certain countries, should be restricted to minimum requirements.

(b) Except as determined by the Supreme Commander for the Allied Powers to be required to meet objectives of the occupation, the Japanese use of textiles should not exceed a consumption of 2½ lbs. per head per annum for all household textiles and clothing, with additional supplies of textiles permitted to workers to the extent necessary to maintain or increase production or to farmers to the extent necessary to increase deliveries of food; such additional supplies should not exceed 50 million lbs. per annum, except at the discretion of the Supreme Commander for the Allied Powers to meet occupation objectives.

3. *Encouragement of production*

Measures should be continued or taken to stimulate Japanese production of goods required for exports, particularly coal, textile machinery, mill stores and similar light equipment in addition to those specified in paragraph 2(a) above, and to ensure that the types produced are those in demand in countries requiring supplies from Japan.

4. This policy statement in no way affects decisions as to reparations removals or the future level of Japanese economic life.

5. This policy should be terminated on 31 December 1947 unless extended by the Far Eastern Commission.

U. S. DELEGATION TO PAN AMERICAN CONGRESS ON TUBERCULOSIS

[Released to the press March 17]

The Acting Secretary of State announced on March 17 that the President has approved the composition of the United States Delegation to the Seventh Pan American Congress on Tuberculosis at Lima, Peru, March 17.

The United States Delegation is as follows:

Chairman

Herman E. Hilleboe, M.D., Assistant Surgeon General and Associate Chief of the Bureau of State Services, United States Public Health Service

Delegates

Howard W. Bosworth, M.D., The Barlow Sanatorium Association, Los Angeles, Calif.

Leo Eloesser, M.D., San Francisco, Calif.

William A. Hudson, M.D., Detroit, Mich.

Chevalier L. Jackson, M.D., Temple University Hospital, Philadelphia, Pa.

Col. Charles B. Kendall, M.C., Chief of Medical Service, Fitzsimons General Hospital, Denver, Colo.

Harold W. Kohl, M.D., Tucson, Ariz.

Jay Arthur Myers, M.D., University of Minnesota, Minneapolis, Minn.

George G. Ornstein, M.D., New York, N. Y.

Richard H. Overholt, M.D., Brookline, Mass.

J. Winthrop Peabody, M.D., Washington, D. C.

G. S. Pesquera, M.D., Metropolitan Life Insurance Company, New York, N. Y.

Henry C. Sweany, M.D., Municipal Tuberculosis Sanitarium, Chicago, Ill.

Charles A. Thomas, M.D., Tucson, Ariz.

Murray Kornfeld, Executive Secretary, American College of Chest Physicians, Chicago, Ill.

The Seventh Congress, which is being held under the auspices of the Peruvian Government, is scheduled to take place at Lima, Peru, from March 17 to 22, 1947. Reports will be delivered and studies made, chiefly on the following subjects: (a) mass X-ray examinations; (b) BCG vaccinations; and (c) surgical operation in tuberculosis.

U. S. DELEGATION TO FIFTH INTERNATIONAL HYDROGRAPHIC CONFERENCE

[Released to the press March 17]

Acting Secretary Acheson announced on March 17 that the President has approved the composition of the United States Delegation to attend the Fifth International Hydrographic Conference.

The composition of the United States Delegation to the Fifth Conference is as follows:

Delegates

Rear Adm. Leo O. Colbert, Director, United States Coast and Geodetic Survey, Department of Commerce

Rear Adm. Robert O. Glover, U.S.N., Hydrographer of the Navy, Navy Department

Advisers

James B. Hutt, Chief, Division of Maritime Security, Hydrographic Office, Navy Department

Lt. Comdr. Robert W. Knox, United States Coast and Geodetic Survey, Department of Commerce

Rear Adm. Chester L. Nichols, U.S.N., former Deputy Hydrographer of the Navy, Navy Department

The nominations were submitted by the Acting Secretary of State upon the recommendations of the Secretary of the Navy, James Forrestal, and the Secretary of Commerce, W. Averell Harriman.

This meeting is scheduled to begin at Monte Carlo, Monaco, on April 22, 1947, and will continue for approximately 10 days. The major questions to be considered are the reorganization of the International Hydrographic Bureau and the Bureau's relationship to the United Nations.

The International Hydrographic Bureau was established in 1921 following the first Interna-

tional Hydrographic Conference held at London, England, in 1919. Serving as a clearing house for hydrographic information, the Bureau assists in coordinating national hydrographic services and advancing the theory and practice of hydrography. The United States, active in all of the preliminary work, became a member in 1921, and has been represented on the Directing Committee of the Bureau since its organization and at previous conferences.

There are now 17 active member nations in the Bureau, including nearly all of the larger maritime powers. The Bureau is governed by the General Conference, which in normal times meets at 5-year intervals. The Fourth General Conference was held at Monte Carlo in April 1937.

Report on ILO Petroleum Industry Committee Meeting ¹

ARTICLE BY JOHN A. LOFTUS

Eleven nations participated in the first meeting of the Petroleum Industry Committee of the International Labor Organization held at Los Angeles in February 1947. This committee is the seventh industry committee to be established by the International Labor Organization. The ILO industry committees are international in composition. Their meetings are attended by tripartite (that is, management, worker, and government) delegations from each of the respective countries.

The selection of countries invited to participate in the various committees is made by the Governing Body of the ILO. That body takes into account, in the selection of countries to be invited, the importance of the different countries in the production and consumption of the products of the various industries with respect to which committees are established. It is contemplated that the individual industry committees will meet more or less regularly, probably annually.

Twelve nations—Canada, Colombia, Egypt, France, Iran, Iraq, Mexico, Netherlands, Peru, the United Kingdom, the United States, and Venezuela—were invited to participate in the first meeting of the Petroleum Industry Committee. Of these nations Iraq sent no delegation, and Iran sent only two government delegates. The other ten countries had full delegations, two representatives each from management, labor, and govern-

ment. Some delegations also had a substantial number of advisers.

The United States Delegation consisted of John H. G. Pierson of the Department of Labor and John A. Loftus of the Department of State as government delegates; Charles E. Shaw of the Standard Oil Company and James Tanham of the Texas Company as employer delegates; and Herbert Woods and H. M. McNeel of the Operating Engineers of the American Federation of Labor as worker delegates. In addition, there were three government advisers, Samuel E. Hill, Duncan Campbell, and Milton Derber; six employer advisers; and one worker adviser.

Some of the representatives best known to the petroleum industry were: Richard F. Hinton from Canada; Gilberto Botero-Restrepo, Francisco Posada Zarate, and Elias Pineda from Colombia; J. Robelin and M. de Montricher from France; K. O. Stock and R. B. Southall from the United Kingdom; Hossein Pirnia from Iran; Luis Sevilla, José Colomo, and Fernando Labastida from Mexico; J. W. H. van de Wall Bake, F. Brussel, and C. van Baren from the Netherlands; Oscar Quiroga, Enrique Montero, and Tomas D. Canote from Peru; and Carlos Lander Marquez, Angel M. Bravo, and Ismael Ordaz from Venezuela.

The committee was headed by Luis Alvarado, representative of the Peruvian Government on the Governing Body of the International Labor Office, as chairman; and E. R. C. Beard, employer

¹ Held at Los Angeles Feb. 3-12, 1947.

member from the United Kingdom; and Marcel Voyer, worker member from France, vice chairmen. The steering committee, in addition to these three, was composed of J. D. Zellerbach and Lombardo Toledano, representatives of the Governing Body; government members, Mr. Loftus, United States, Mr. Cordova, Mexico, and Mr. Hacke, Netherlands; employers' members, Mr. van de Wall Bake, Netherlands, Mr. Montero, Peru; and workers' members, Mr. Woods, United States, and El Giddawy Taha, Egypt.

All meetings were held in the Federal building, known as the Post Office and Court House Building.

Luis Alvarado, the Peruvian Government member of the Governing Body of the ILO, was installed as chairman at the first plenary session of the committee. Fletcher Bowron, Mayor of Los Angeles, made the welcoming address. Mr. Zellerbach and Sr. Lombardo Toledano of the Governing Body, Jef Rens, the Secretary General, and John Price, the Assistant Secretary General, followed on the program with general observations on the purpose and possible usefulness of the Petroleum Industry Committee. Additional general statements were made by various representatives of the government, workers', and employers' delegations.

No formal predetermined agenda having been established for the committee, it was generally agreed in the early sessions that its work should be carried on through three subcommittees. Those established were the Subcommittee on General Social and Labor Conditions, the Subcommittee on Machinery for Management-Labor Relations, and the Subcommittee on Vocational Training.

Although the Subcommittee on General Social and Labor Conditions decided at its first meeting to consider the questions of hours of work, health, safety, social security, and machinery for the fixation of wages, no resolutions were introduced nor was consideration given to any matters falling under "health" and "social security".

The employers' group presented a resolution on safety which (a) favored collaborative educational programs in the field of safety procedures, first aid, and so forth; (b) favored the establishment of joint safety advisory committees to recommend safety measures to management; and (c) requested the International Labor Office to compile and analyze information on uniform warning signs, safe

working practices, and accident-prevention measures. This resolution was adopted after relatively little discussion and with insignificant textual changes, but with the addition of a request to the Office to examine the problem of definition and statistical reporting of industrial accidents.

The workers' group submitted two alternative drafts of a resolution recommending establishment of a statutory work week in the petroleum industry of 40 hours and provision of overtime premium rates for work in excess of 40 hours per week. The employers' group as a whole opposed both drafts of this resolution primarily on the grounds that: (a) its adoption at this time would result either in decreased production or increased prices or both at a time when it would be most inopportune to impose any obstacles to maximum production of fuels, and (b) it could in certain instances result in the creation of a class of privileged workers by establishing either hours or wage standards out of line with general current practices. Certain government delegates indicated opposition to the resolution, arguing that reconstruction needs at this time and other circumstances require a statutory work week of longer than 40 hours. After prolonged discussion and in view of the evident impossibility of arriving at a compromise formula, it was agreed to table consideration of the question of hours and to return to it at the next meeting of the Petroleum Industry Committee.

A second resolution submitted by the workers' group provided for acceptance by the Committee of the principle of a minimum wage rate in the petroleum industry based on a decent standard of living. The employers' group maintained that such a resolution would encourage the establishment of a statutory minimum wage for the petroleum industry higher than that provided for industry workers generally; and that such a differential minimum wage would be inequitable and conducive to social disturbance. Some government delegates (as well as the Secretary General) pointed out that the resolution as drafted could not be interpreted as requiring such a result. It merely provided that a minimum wage rate should be applicable to workers in the oil industry without question as to whether the same or a different wage rate were in fact applicable to industry workers generally. The resolution would not go at all into the question of how a minimum rate of wages should be fixed or what its level should be.

The resolution, as adopted, provided that the minimum rate of wages should be fixed by either statute, collective bargaining, or any other process appropriate to the institutions of the particular country. One employers' representative voted against the resolution in the plenary session and others abstained from voting on the ground that minimum wage rates should be fixed by regions rather than by industries.

The Subcommittee on Machinery for Management-Labor Relations considered various problems extensively, including freedom of association, right to strike, machinery for the settlement of labor disputes, collective bargaining, company unions, and existing standards of law with respect to these matters in the various countries represented on the Petroleum Industry Committee. Ultimately, a single resolution was adopted which: (a) affirmed the right of employers and workers to establish organizations of their own choosing; (b) recommended the removal of legislation designed to curtail rights of free associations; (c) affirmed the importance of bargaining machinery; (d) affirmed the need for "machinery to deal quickly and effectively with settlement of disputes"; and (e) requested the International Labor Office to study facts in various countries with respect to trade unionism, collective bargaining, and the handling of disputes not only in the petroleum industry but, if possible, in industry generally, and to report back to the next meeting of the Petroleum Industry Committee.

The Subcommittee on Vocational Training adopted six resolutions which provide briefly as follows:

1. That it is the responsibility of governments to make general basic education available to petroleum workers and to their children, but where geographical conditions make it necessary this should be done in collaboration with the petroleum companies.

2. That vocational training within the industry should be developed by appropriate means and subject to the general principles already formulated by the International Labor Office concerning cooperation between employers and workers.

3. That the International Labor Office should examine the special technical qualifications required for employment in the petroleum industry and the availability of facilities for general and

technical education and vocational training related thereto.

4. That the International Labor Office should examine the method of apprentice training now in operation in various countries, with a view to the possibility of establishing certain basic standards in this matter.

5. That preference should be given workers residing within the country concerned in the process of recruitment; that particular preference in this group should be given to those who have had vocational training; that women and young workers should be employed only in positions for which they are physically suited within the framework of existing relevant legislation; and that the International Labor Office should examine methods of recruitment in use in various countries.

6. That recruitment of new workers should be carried out only after examination of the possibility of promoting workers already in the undertaking on a basis of ability, qualifications, and length of service.

The full committee in plenary session, in addition to adopting the resolutions of the subcommittees, considered a resolution introduced by the government group which was not appropriate for any of the subcommittees. That resolution affirmed that labor statistics of the industry should be expanded and improved in scope, quality, and comparability, and that they should be published regularly when available in sufficiently comparable form. It invited the International Labor Office to provide the committee with statistical information under particular specific categories. Further, it requested the International Labor Office to examine and report to the committee on the problem of collecting comparable statistics on wages and earnings, including items of non-monetary income. In ascertaining comparability due regard should be had for differences in cost of living and in productivity.

Informal discussions, which took place outside of the regular plenary meetings of the Committee, indicated that the government and workers' delegations would be strongly, perhaps unanimously, in support of this resolution. The employers' group was very much concerned over the misuse that might be made of statistics on earnings and income. Since it was evident that in the short remaining time available for the work of the committee agreement could not be reached on the

resolution as drafted, it was withdrawn and reserved for consideration at a later meeting of the Petroleum Industry Committee.

The committee meeting was fairly successful in view of the fact that it faced the following difficulties:

1. This being the first meeting of its kind, a great deal of the available time, of necessity, was devoted to outlining and delimiting the scope of the Committee's work, both immediate and long-term. In consequence, relatively little time could be used for the examination of specific and concrete issues.

2. The meeting was not fully representative of the oil-producing and oil-refining countries of the world. The Middle East area, particularly, was represented by a complete delegation from Egypt only. The problems of that country, with its small production, are not representative of the experiences ordinarily met in the Middle East. Iraq had no delegates; Iran was able to send only a government delegation.

3. The workers' delegations, generally speaking, were unorganized and unprepared for the meeting. This was due in part to failure of the various governments to select their workers' delegations sufficiently in advance of the meeting; in part to lack of organization on the part of the petroleum workers in certain countries represented at the meeting; in part to the wide variety and type of labor organizations represented; and in part to the relatively unrepresentative character of the workers' delegations from certain countries. (Specifically, United States labor was represented solely by the International Union of Operating Engineers of the A. F. of L., which has a membership of about 5,000 in the industry. The Oil Workers International Union of the C. I. O., which represents almost one half of the more than 200,000 persons employed in petroleum refining in the United States, was unwilling to participate in the meeting. Similarly, the United Kingdom labor delegation consisted of representatives from the Municipal and General Workers Union and the Transport and General Workers Union, who were relatively unfamiliar with the operations and problems of the oil industry.)

The final product of the committee meeting, considering the difficulties enumerated above, was even more substantive and affirmative than might have been expected.

March 30, 1947

Interesting and educational sidelights were the safety demonstration, Mr. Dooley's lecture on "Training Within the Industry", and the tour of the oil fields and refineries.

THE DEPARTMENT

Chester T. Lane Resigns as Lend-Lease Administrator

In a letter to William L. Clayton, Under Secretary of State for Economic Affairs, dated March 18, 1947, Chester T. Lane submitted his resignation as Lend-Lease Administrator and Deputy Foreign Liquidation Commissioner.

For complete text of Mr. Lane's letter of resignation, and of Mr. Clayton's reply, see Department of State press release 213 of March 19, 1947.

Appointment of Officers

Dean Rusk as Director, Office of Special Political Affairs, effective March 5, 1947.

Cecil B. Lyon as Chief, Division of River Plate Affairs, effective December 9, 1946.

THE FOREIGN SERVICE

Appointments

The Department of State announced on March 19, 1947, that Allan Stewart left on March 20 to assume the post of Public Affairs Officer at the American Embassy, Habana, Cuba.

Appointment of Officers to Foreign Service Institute

The following designations became effective March 7, 1947: William P. Maddox as Director of the Foreign Service Institute; Laurence W. Taylor as Assistant Director in Charge of Basic Officer Training; Frank S. Hopkins as Assistant Director in Charge of Advanced Officer Training; John B. Whitelaw as Assistant Director in Charge of Management and Administrative Training; Henry Lee Smith, Jr., as Assistant Director in Charge of Language Training.

Congressional Hearings on Financial and Economic Aid to Greece and Turkey

STATEMENT BY ACTING SECRETARY ACHESON¹

Three weeks ago the British Government informed the Department of State that as of March 31 it would be obliged to discontinue the financial, economic, and advisory assistance which it has been giving to Greece and Turkey.

A few days later we received from the Greek Government an urgent appeal for financial, economic, and expert assistance. Assistance is imperative, says the Greek Government, if Greece is to survive as a free nation.

At various times during recent months the Turkish Government has applied to the United States for financial aid, but the Government has not had the facilities for responding to those requests. With the withdrawal of British aid, the needs of Turkey for assistance are greatly increased.

This, then, is the situation with which we have to deal. Greece and Turkey are in urgent need of aid, and there is no other country to which they may turn. The President in his message to Congress on March 12 recommended that this Government extend the necessary assistance.²

The problem with which we are faced has a history and a background. Greece's difficulties are not new. But they have become acute as a result of special circumstances.

Long before the war Greece had a hard time making ends meet. Her poverty of natural resources is so great that she has always needed more imports than she could pay for with exports. Only by hand-to-mouth contriving has she been able to maintain a precarious balance in her international economic position. In the past much of her export trade naturally went to central European markets, particularly to Germany; during the thirties she was forced into closer dependence on Germany through clearing agreements and other instruments of Nazi economic warfare.

And then came the Italian invasion, the German invasion, four years of cruel enemy occupation, and the scorching of her earth by the retreat-

ing enemy. Perhaps no other country in the world has suffered greater destruction of its physical resources than Greece.

I should like to focus your attention upon four conditions which were found to exist at the time of Greece's liberation:

1. Physical destruction had catastrophically impaired Greece's ability to produce, either for home consumption or for export;

2. Greece's entire fiscal system had been destroyed;

3. The Greek civil service and administrative system had been gravely impaired through starvation and by death, undermined by infiltration of undesirable elements, demoralized by inflation and the resultant scramble for existence; and

4. The authority of the Greek state was threatened by several thousand armed men who defied and continue to defy it in certain areas of the country. This situation in part grew out of the arming of guerrilla forces during the war of liberation. Many of these people have retained their weapons, and certain bands now use them, fighting to resolve political differences that might otherwise be peaceably settled. The Greek Government has charged before the Security Council of the United Nations that the insurgent groups operating in northern Greece are assisted from outside Greece by supplies and training in neighboring countries. A commission appointed by the Security Council of the United Nations is now investigating these charges.

In the period of more than two years since its liberation, Greece has received substantial relief assistance from the United Nations Relief and Rehabilitation Administration. Great Britain has also extended very substantial aid to Greece in an effort to supplement the relief and reconstruction efforts of UNRRA, and to organize and equip the Greek Army.

However, at the end of this current month outside assistance to Greece is scheduled to stop.

¹ Made before the House Foreign Affairs Committee on Mar. 20, 1947, and released to the press on the same date.

² BULLETIN of Mar. 23, 1947, p. 534.

UNRRA is going out of business in Greece, and British assistance, for reasons of which you are aware, is to be discontinued.

The cessation of outside aid to Greece means immediate crisis. Unless help is forthcoming from some other quarter, Greece's economy will quickly collapse, very possibly carrying away with it the authority of the Government and its power to maintain order and the essential services.

Essential imports for civilians and for the army under the circumstances can continue for only a few weeks. Two weeks ago the dollar resources available to Greece were only \$14,000,000—enough for one month's imports of food and other essentials from the United States and other countries. If imports should cease, the price of such goods as are available would very rapidly reach astronomical figures. This is inflation. Its result in a country so dependent upon imports would be paralysis of the government and of economic life. It would also very probably mean the end of Greek freedom and independence.

The armed bands in the north, under Communist leadership, are already fighting, Greek against Greek. In the event of economic collapse and government paralysis, these bands would undoubtedly increase in strength until they took over Greece and instituted a totalitarian government similar to those prevailing in countries to the north of Greece. The rule of an armed minority would fasten itself upon the people of Greece.

In this critical situation Greece has urgently asked the United States for help. She requests financial assistance for the following purposes: (1) to enable her to carry on essential imports of food, clothing, and fuel necessary for the subsistence of her people; (2) to enable her to organize and equip her army in such a way that it will be able to restore order throughout her territory; and (3) to enable her to begin the process of reconstruction by putting her production facilities in order. (4) Finally, Greece requests the aid of experienced American administrative, economic, and technical personnel to assure the effective utilization of whatever financial aid may be extended her and to help her to begin the reconstruction of her own economy and public administration.

The situation in Turkey is substantially different, but Turkey also needs our help. The Turkish Army has been mobilized since the beginning of

World War II and this has put a severe strain upon the national economy. During the war Turkey received substantial assistance from Great Britain and the United States, which helped her to carry this load.

Today the Turkish economy is no longer able to carry the full load required for its national defense and at the same time proceed with that economic development which is necessary to keep the country in sound condition. With some help from the United States, and further assistance which Turkey may be able to negotiate with United Nations financial organs, Turkey should be in a position to continue the development of her own resources and increase her productivity, while at the same time maintaining her national defenses at a level necessary to protect her freedom and independence.

The crisis in Greece and Turkey confronts us with only two alternatives. We can either grant aid to those countries or we can deny that aid. There is no possibility of putting the responsibility for extending the aid which Greece has asked from the United States on some other nation or upon the United Nations.

This becomes clear when we consider the specific problems that confront Greece today and the specific kinds of assistance that Greece has requested from the United Nations on the one hand and from the United States on the other.

Let us consider first the problem arising from outside Greece's borders. Greece has charged before the Security Council that armed bands operating within her territory are partly supplied, trained, and given refuge in neighboring countries and are moving back and forth across the borders. Greece has asked the United Nations for help in dealing with this situation. This is peculiarly a United Nations problem and one with which the United Nations is dealing expeditiously and effectively. In this matter the United States is supporting the Security Council's action energetically.

The second problem confronting the Greek Government is the need for supplies and funds to enable it to meet its internal difficulties, namely, the restoration of order in the country and the averting of economic collapse. The United Nations Relief and Rehabilitation Administration and the British Government have been helping Greece with these particular problems, and the present crisis has arisen because those two supports

must be withdrawn. To whom was Greece to turn? If Greece had applied to the United Nations or any of its related organizations, the essential element of time would have been lost and the end result, if any, would have been the same.

The United Nations does not of itself possess funds. The Economic and Social Council is an advisory body that recommends economic, financial, and social action to member states. The International Bank, which is just now completing its organization, is set up primarily to make self-liquidating loans for long-term reconstruction purposes. It has not yet made any loans whatsoever. The Economic Commission for Europe is still in its early organization stage.

It may be that at some future time the United Nations will be organized and equipped so as to render emergency aid to member states of the kind now needed in Greece and Turkey. But as the President said, the United Nations and its related organizations are not now in position to extend help of the kind that is required. Even if some organ of the United Nations should decide to recommend assistance to Greece and Turkey, it would have eventually to turn primarily to the United States for funds and supplies and technical assistance. Even if the project were not blocked by the objections of certain members of the United Nations, much time would have been lost, and time is of the essence.

The third problem confronting Greece is one of expert personnel. Greece has linked this problem, and we heartily concur, with the supply of funds. Greece is in the most serious need of expert advice and assistance. We believe, and we think Congress believes, that the expenditure of American funds in Greece and Turkey should be supervised by American experts.

These are the emergency aspects of the problem.

In the longer range, the United Nations may be able to take over various parts of the economic and financial problem in Greece and Turkey. We are giving serious study and consideration to ways in which the United Nations may take hold of this problem after the present emergency is past.

I have said that the two alternatives that are before us are to give the help requested, or to deny it. An essential step in considering the wisdom of any policy is to look at the alternatives. What are the probable consequences of *not* extending aid to Greece and Turkey?

I have already indicated what would more than likely happen in Greece. As the President said, however, it is necessary only to glance at the map to realize that the survival and integrity of Greece is of grave importance in a much wider situation. The inexorable facts of geography link the future of Greece and Turkey. Should the integrity and independence of Greece be lost or compromised the effect upon Turkey is inevitable.

But the effect is even wider. Consider for a moment the situation of the countries to the east and south of Turkey. All of them are confronted with the accumulated problems of the past and of the war. Some of them are just emerging into statehood. These nations wish and should be able to develop and maintain free institutions and individual liberties, but untoward circumstances may force them in the other direction. Will these countries be able to solve the extremely difficult problems that confront them in ways compatible with free institutions and individual liberty? It is vital to our own interests to do all in our power to help them solve their economic difficulties in such a way that their choice will be in favor of freedom.

I need not emphasize to you what would more than likely be the effect on the nations in the Middle East of a collapse in Greece and Turkey, and the installation of totalitarian regimes there. Both from the point of view of economics and morale, the effects upon countries to the east would be enormous, especially if the failure in Greece and Turkey should come about as the result of the failure of this great democracy to come to their aid. On the other hand, I ask you to consider the effects on their morale and their internal development should Greece and Turkey receive a helping hand from the United States, the country with which they closely associate the principles of freedom. It is not too much to say that the outcome in Greece and Turkey will be watched with deep concern throughout the vast area from the Dardanelles to the China Sea.

It is also being watched with deepest anxiety by the peoples to the west, particularly the peoples of Europe, who, as the President said, are struggling against great difficulties to maintain their freedom and independence while they repair the damages of war.

As the President said, it would be an unspeakable tragedy if these countries, which have

struggled so long against overwhelming odds, should lose that victory for which they sacrificed so much. Collapse of free institutions and loss of independence could be disastrous not only for them but for the world. Discouragement and possible failure would quickly be the lot of neighboring people striving to maintain their freedom and independence.

I have tried to outline to you the nature of the present crisis, and to describe some of its implications for the United States. The Secretary of War, Mr. Patterson, and the Secretary of the Navy, Mr. Forrestal, will give you an appreciation of the

problem from the point of view of their Departments. The Under Secretary of State, Mr. Clayton, and Ambassador Porter, who has just returned from an economic mission in Athens, will give you more facts about the present situation in Greece and an account of the preliminary reconstruction program we have worked out for Greece. Our Ambassadors to Greece and Turkey, Mr. MacVeagh and Mr. Wilson, have been recalled for consultation. If the Committee wishes to have the benefit of their views, I request that, on account of the nature of their position and official duties, they be heard in executive session.

U.S. Reiterates Position on Soviet Activities in Hungary

EXCHANGE OF MESSAGES BETWEEN U.S. REPRESENTATIVE ON ALLIED CONTROL COMMISSION FOR HUNGARY AND THE SOVIET ACTING CHAIRMAN

[Released to the press March 17, 1947]

Text of a communication¹ which Brig. Gen. George H. Weems, United States Representative on the Allied Control Commission for Hungary, has addressed to Lt. Gen. V. P. Sviridov, Soviet Acting Chairman of the Commission, under date of March 17, 1947, in reply to the latter's communication of March 8

I have the honor to acknowledge the receipt of your communication of March 8, 1947 in reply to the note which I addressed to you on March 5² concerning political developments in Hungary and, on instructions from my Government, to transmit the following comment of the United States Government thereon.

The United States Government has carefully considered the Soviet views set forth in your communication. However, it is noted that your letter fails to take account of the following circumstances alluded to in my note of March 5.

(1) Investigation of the plot against the state has to date been conducted only by Communist-dominated police organs. While the Smallholders Party has endeavored to obtain agreement to a Parliamentary investigation, on an inter-Party basis, of allegations concerning the involvement in the conspiracy of members of the National Assembly, the Communists have declined to accept such a procedure;

(2) Of four representatives of political parties who, with a jurist chairman, comprise the people's court, which is now conducting trials of certain individuals alleged to have been involved in this plot, three are representative of parties aligned in a minority bloc as against one selected by the majority Smallholders;

(3) Concerning the arrest of Béla Kovács, although normal arrests by occupation forces for the purpose of maintaining the security of such forces could not of course be objected to on the grounds of unwarranted intervention, the arrest of Mr. Kovács by the Soviet authorities cannot, on the

¹ The full text of the new U.S. note to the Soviet Acting Chairman of the Allied Control Commission for Hungary, made public on Mar. 17, was broadcast twice in the Hungarian language on Mar. 18 between 12:30 and 1 p. m., and from 3:45 to 4 p. m., from the New York studios of the Voice of the United States of America, operated by the Office of International Information and Cultural Affairs of the Department of State. Reports from Hungary indicate that, although the full text of the note has been made available to the Hungarian press by the U.S. Information Service at Budapest, it has not yet been published in Hungary. Should the note not be published in Hungary during the next few days, the full text will be repeated by voice short-wave broadcast in Hungarian at the two transmission times. A summary of the note was broadcast in the Russian language at 1 p. m. on Mar. 18.

² BULLETIN of Mar. 16, 1947, p. 495.

face of it, be considered of such a nature. It is noted that the arrest was not made until the Hungarian Communist Party had, without avail, resorted to numerous stratagems to obtain the waiver of Mr. Kovács' Parliamentary immunity and his arrest by the political police. During that period there was no indication that he might be suspected of activities against the Soviet occupation forces.

In the circumstances, the United States Government cannot, in the light of all the information available, agree with the interpretation of Hungarian political developments contained in your communication under acknowledgment. It seems clear to the United States Government that minority groups under the leadership of the Hungarian Communist Party are attempting to seize power through resort to extra-constitutional tactics. In the opinion of the United States this clearly threatens the continuance of democracy in Hungary. In such a situation, the United States Government considers that the powers signatory to the agreement concluded at Yalta in regard to liberated Europe are obligated to undertake concerted action to investigate political conditions in Hungary. The need for such consultation and investigation becomes all the more imperative because of the fact that there is disagreement between the Soviet and United States Governments on a matter of so basic importance to Hungary. In my Government's view it cannot be contended that such an investigation would, as you suggest, improperly impair the legal rights of the Hungarian courts or that my Government's concern with regard to the case of Béla Kovács constitutes an infringement of the right of the Soviet occupation authorities to take reasonable measures for the maintenance of the security of the occupation forces.

Text of translation of note dated March 8 from Lt. Gen. V. P. Sviridov, Soviet Acting Chairman of the Allied Control Commission for Hungary, to Brig. Gen. George H. Weems, United States Representative on the Commission

In reply to your letter of March 5 of this year in which you put forth the point of view of your Government in regard to the latest political events in Hungary, I have the honor to inform you of the following:

The democratic regime and the Hungarian Government were threatened by an anti-constitutional

and anti-republican conspiracy and not by the minority parties, there being no basis for the accusation that they strive to deprive the Smallholder Party of their legal power and to establish a dictatorship of the minority, because they stand on the basis of the Hungarian Constitution.

The existence of an anti-constitutional plot and the threat that it represented to the young Hungarian democracy is not denied even by the Smallholder Party itself. Concerning this they have made announcements many times in press as well as in many appearances of their leader Ferenc Nagy. The fact that among the plotters were to be found many representatives of the Smallholder Party and among the Smallholder members of the Parliament is not the fault of the police or the parties of the leftist bloc. The Smallholder Party itself admitted the guilt of these plotters, members of this party, and has voluntarily agreed to deprive them of their parliamentary immunity and to turn them over to the Government. Therefore, your statement, Mr. General, that the minority parties attempted to involve representatives of the Smallholder Party in the plot appears to be without proof and without foundation.

The investigations on the subject of the plot, as is known, have already been completed by the Hungarian authorities and the case of the plotters is at present being investigated by the Independent Democratic Court of the Hungarian Republic. On this basis I cannot agree to your proposal for a mutual investigation of the present situation and the plot because this would appear to be an open intervention into the internal affairs of the Hungarian Republic and a rude violation of the legal rights of the Hungarian Peoples Court.

Your intervention in the case of Béla Kovács I cannot regard otherwise than as an attempt to infringe on the legal rights of the Soviet occupation authorities to defend their armed forces located on Hungarian territory and I, therefore, cannot agree to such intervention on the part of the Government of the United States of America. The arrest of Béla Kovács for crimes directed against the Soviet occupation armies cannot be regarded as an intervention on the part of the Soviet occupation authorities into the internal affairs of Hungary.

I am sending this letter simultaneously to the Chief of the British Mission on the Allied Control Commission for Hungary, General Edgumbe.

Hungarian Minister Concludes Discussions With U.S. Officials

[Released to the press March 21]

Miklos Nyaradi, newly appointed Minister of Finance in the Hungarian Government and former Under Secretary of Finance, Commissioner for Displaced Property, and Director of the Domestic Savings Bank of Hungary, who arrived in Washington on February 23, has concluded his visit to the United States and left for Budapest by air on March 22. During his stay in Washington, Mr. Nyaradi discussed with officials of the United States Government economic and financial matters of common concern to Hungary and the United States. It is believed that this exchange of views will be mutually beneficial to the two Governments in their consideration of problems currently involved in the economic rehabilitation of Hungary.

Emergency Food Council Approves Hungarian Grain Requirements

[Released to the press March 21]

The Cereals Committee of the International Emergency Food Council, upon the recommendation of its Executive Committee, has approved food grain import requirements for Hungary in the amount of 35,000 tons. This quantity of grain is in addition to 5,000 tons of seed wheat for which provision has been made previously. Of the total approved amount of 40,000 tons of grain, 23,000 tons have been programmed by the United States for the period through April. Part of this latter quantity has already been shipped and the remainder is expected to be shipped before the end of April.

These grain supplies are being made available from United States sources in order to assist Hungary in maintaining its bread ration, recently again considerably reduced, for the rest of the crop year. This action is in accord with the United States Government's desire to aid Hungary in its present difficult economic situation, a matter which, as previously indicated in the Department's press release of February 15, 1947, this Government has under continuing consideration.¹

The Hungarian Government has given assurances that neither the grain supplies which it is to receive from the United States nor other food grain stocks now in Hungary will be shipped out

of Hungary for reparations or other purposes during the remainder of the present crop year.

American Position on Relief to Yugoslavia

[Released to the press March 20]

The Yugoslav Ambassador has recently requested information as to the amount of relief which Yugoslavia might be granted if Congress approves the request of the President for the appropriation of \$350,000,000 to meet urgent relief needs. Yugoslav officials in Belgrade have also approached the United States Embassy requesting an immediate allocation of grain from the United States to be procured by UNRRA to meet alleged food deficits now existing in certain areas of Yugoslavia. The United States position on these two requests has been communicated to the Yugoslav Government as follows:

Direct United States Relief

The Department of State has informed the Yugoslav Ambassador, in response to the latter's inquiry concerning possible free relief to Yugoslavia, that, while the United States desires to assist to the extent possible in relieving suffering in countries devastated by the war and while in line with this desire the President has recommended to the Congress the appropriation of \$350,000,000 to assist in providing the basic essentials of life to countries urgently needing such assistance, the United States is in a position to grant free relief only to those countries having the greatest need. After careful consideration of all available information, the United States Government cannot conclude that the needs of Yugoslavia for free relief are in the same category as those of certain of the other devastated countries. Accordingly, it is not contemplated that monies which might be appropriated by the Congress would be utilized for Yugoslavia.

The Yugoslav Government has already received through the United Nations Relief and Rehabilitation Administration some \$375,000,000 worth of supplies, approximately three fourths of which came from United States contributions. Over \$135,000,000 of UNRRA's contribution consisted of food. Statements have recently been made in

¹ BULLETIN of Feb. 23, 1947, p. 341.

Yugoslavia that with proper distribution and controls domestic food supplies would be adequate during the present crop year. The bread ration in Yugoslavia, as recently confirmed by Tanjug, the official Yugoslav News Agency, has been higher in Yugoslavia than in France, Czechoslovakia, Poland, and Switzerland, and has only recently been reduced. Yugoslavia has shipped grain to Rumania and to Albania and has been negotiating for food exports to other countries for early delivery. In addition, the armistices and peace treaties with Bulgaria and Hungary provide for current reparations including agricultural products to Yugoslavia which assist in meeting the need for relief supplies. Together with other specific information available to the Department, these factors indicate that with good administration it would have been possible for the Yugoslav Government within its own resources to have avoided the necessity of now appealing for outside relief. While reports recently received may upon further investigation indicate that, because of the inability of the Yugoslav Government to distribute supplies equitably throughout the country and because of the relatively high consumption earlier in the year as compared with available food supplies, some food imports might be needed prior to the next harvest for distribution in certain regions, nevertheless, even if such reports are confirmed, it does not appear that the volume of supplies which would be needed will be beyond the Yugoslav Government's ability to finance. Accordingly, no United States relief would be necessary.

Availability of U.S. Grain for Purchase

As regards the availability of grain from United States sources for purchase by the Yugoslav Government or by UNRRA against the remainder of UNRRA's Yugoslav program, the present supply situation and allocations of United States grain to most urgently needy countries make impossible the allocation to Yugoslavia of any grain from United States sources before May or June. March and April shipping commitments already exceed the amount which the United States can move for export in those two months and the diversion of shipments to Yugoslavia during those months would necessitate reductions in amounts already determined to be of greater necessity to other countries. Whether a small allocation from United States sources could be made in May or June would

depend on a confirmed showing by the Yugoslav Government of a serious Yugoslav need in relation to other critically deficient countries and an urgent Yugoslav manifestation of determination to distribute domestic supplies to Yugoslav deficit areas efficiently and without discrimination.

Support Urged for International Trade Organization

Summary of remarks made by Clair Wilcox before the United Nations Forum in Washington, March 17, and released to the press on the same date. Mr. Wilcox is Director of the Office of International Trade Policy

The international exchange of goods and services provides most of the links between the nations of the world. Under the right conditions, these contacts can be mutually profitable and can promote understanding and good-will. Unless, however, this exchange is relatively free from restrictions and discriminations, it provides one of the principal sources of international irritation, misunderstanding, and conflict. It was with this in mind that the International Trade Organization was conceived and proposed by your Government. The ITO looks toward the promotion of the world's economic health through the reduction of some and the elimination of other trade restrictions and discriminations. It will thus remove the cause of much international misunderstanding. International trade may be restricted by state-imposed embargoes, import quotas, exchange controls, excessive tariffs, and the like. Trade is frequently hampered by the market and production controls and the price-fixing arrangements of international business monopolies. Its expansion may be retarded by failure to develop natural resources or by regulatory measures resulting from the fear of instability in markets, production, and employment. But whatever the cause, restricted trade means restricted opportunities for profitable investment and gainful employment. It is the aim of the ITO, within the spirit and framework of the United Nations, to improve business and employment opportunities by removing unwarranted restrictions on international trade. Its success will mark a major step toward that peaceful and prosperous world for which we all so earnestly seek.

Congressional Hearings on Draft Charter for an International Trade Organization

STATEMENT BY UNDER SECRETARY CLAYTON¹

The machinery for international economic cooperation has not yet been completed. The International Bank for Reconstruction and Development and the International Monetary Fund which were created at Bretton Woods are ready for business. But the third and perhaps most essential part of the machinery for economic cooperation is the International Trade Organization, which is now being created.

The broad purpose of the International Trade Organization is to aid in expanding the volume of international trade which is so essential to the prosperity of this country and other countries. The achievement of this purpose is essential to the successful operation of the Bretton Woods agreements, a fact that was specifically recognized by Congress in the act approving these agreements. Without the Trade Organization, a vital part of the machinery for economic cooperation would be missing.

The charter for an international trade organization was formulated by the Preparatory Committee for a World Conference on Trade and Employment, this Committee having been established by the Economic and Social Council of the United Nations. The present draft is the product of the first meeting of the Preparatory Committee held in London in October and November of last year. The government officials who met at London were experts designated to formulate a draft for consideration by their respective governments and peoples. Neither this Government nor any other government is committed to the draft as it now stands.²

The draft charter formulated at London has been widely studied by interested organizations and persons throughout this country. We recently completed hearings in seven cities in order to get the criticisms, suggestions, and views of those who have studied the draft. We have found that the need for an international trade organization is widely recognized and approved. We have received a large number of constructive and useful criticisms, which we are now studying.

The Congress must eventually determine what part the United States is to play in this critically important field of economic cooperation, and what

commitments the United States Government should undertake to this end. I am therefore very glad that the Committee has afforded an opportunity for consultation at this formative stage.

The charter of the International Trade Organization would, broadly speaking, do two things. In the first place, it would lay down the rules to be observed by member countries and set forth their obligations respecting measures affecting their trade with other members. In the second place, it would create an international body to facilitate the operation of these provisions and to promote such further action or agreements as will promote mutually profitable trade. It is important to realize that we are not creating a superstate to instruct governments on how to conduct their external or internal economic affairs. We are proposing only that this trade body be created as part of the structure of the United Nations to serve as a medium for consultation to facilitate the carrying out of commitments which would be agreed to in advance by the governments concerned and which would be set forth in the articles of agreement that constitute the charter of the organization.

Heretofore nations have acted unilaterally in taking action vitally affecting their economic relations with other countries. When other countries were hurt by such action, as was usually the case, they retaliated, and in the end all were hurt and all were mad. The International Trade Organization is to be a forum where such actions can be discussed around the conference table before they are finally taken, just as contemplated political and military actions are discussed in other organizations of the United Nations which have been set up for that purpose.

I should now like to comment briefly on the draft of the charter now before you.

¹ Made before the Senate Finance Committee on Mar. 20, 1947, and released to the press on the same date.

² For discussion on the various chapters of the Charter see Preliminary Proposals for an International Trade Organization, Department of State publication 2756, Conference Series 99. Also see BULLETIN of Feb. 2, Feb. 9, and Feb. 16, 1947.

Chapter I. Purposes

The general purposes of the organization are set forth in chapter I. I do not think that many people would find fault with the objectives. Such disagreements as there are relate to the means for attaining these ends.

One possible exception is the stated objective of reducing tariffs and other trade barriers and the elimination of all forms of discriminatory treatment in international commerce. There are, of course, differences of opinion on this subject.

This stated objective, however, reflects the policy laid down in the existing law of the United States. It is the same as that of the Hull trade-agreements program as authorized by the Congress in the Trade Agreements Act.

In my opinion, the carrying out of this purpose on a selective, product-by-product basis in accordance with the carefully devised procedures developed during 13 years of experience with the Trade Agreements Act is indispensable to economic recovery in the world and to our own prosperity.

The statement on this subject in the purposes of the organization has, however, no operative effect. The steps for carrying out this purpose are laid down in a later section of the charter, to which I shall presently refer.

Chapter II. Membership

Chapter II, relating to membership, looks toward world-wide participation in the organization.

Chapter III. Employment

Chapter III relates to employment. This chapter gives recognition to the fact that trade may be seriously affected by changes in the level of business activity and employment in important member countries. In recognition of the importance of this fact, members obligate themselves to take action designed to achieve and maintain full and productive employment and high and stable levels of effective demand within their own jurisdiction. The term *full and productive employment* is defined in the report of the Preparatory Committee as meaning the maintenance of useful employment opportunities for all those able and willing to work. As you know, this is the language of our own Employment Act of 1946. Neither the organization nor any member is given any right to dictate what measures a country will take to this end. The obligation of each member is to take measures

appropriate to its political, economic, and social institutions. The end in view is exactly the same as that of our own Employment Act of 1946.

Chapter IV. Economic Development

This chapter did not appear in the original United States draft which was used as a basis for the discussions in the London meeting. It was added because a number of the underdeveloped countries felt that provisions dealing explicitly with this subject are a necessary and proper part of an international trade charter.

The chapter recognizes the importance to all countries of bringing about industrial and general economic development everywhere, and in particular in those countries whose resources are as yet relatively underdeveloped.

The chapter provides for relaxation of commitments with respect to tariffs and restrictions on imports, in particular cases, with the approval of exporting countries affected after negotiations with them, and with the permission of the Trade Organization.

The procedure is such that there cannot be any general and wide-spread application of restrictions on trade to protect industries in underdeveloped countries which have no real prospect of developing and which would only be a burden on consumers and work injury to foreign exporters. In those cases in which there is a sound basis for developing an industry in an underdeveloped country, it seems to me to be in our own interest that steps of one kind or another be taken to facilitate such development.

To the extent that the resources of any country are developed, wealth is created in which we and all other countries are bound to share through the processes of trade.

Chapter V. General Commercial Policy

Chapter V on general commercial policy is the core of the charter.

From our standpoint, the most important provisions in chapter V are those relating to quantitative restrictions. The basic provision on this subject is that there shall be no quantitative restrictions on trade, such as quotas, licensing systems, and similar measures of quantitative control.

This provision is of crucial importance for the development of United States and world trade. Quantitative controls are rigid devices which arbi-

trarily cut off trade and lend themselves to trade diversion and discrimination. They involve a maximum of interference with the operations of private traders by government officials, who decide what quantities shall be bought and from what sources they shall come. Quantitative controls mean the regimentation of trade.

The abolition of quantitative restrictions will do more to bring about the expansion of our trade and the trade of other countries than any other single step that can be taken in the field of commercial policy. Under present conditions, quantitative controls are applied throughout most of the world in one form or another and for one reason or another. To get rid of them is a major aim of our foreign policy.

It must be recognized, however, that under present conditions we cannot get rid of all quantitative restrictions at once. The rule against such restrictions must of necessity be qualified by a number of exceptions. It is unfortunate that this must be so, but under present conditions it is necessary.

The most important exception is that which permits countries faced with a shortage of foreign exchange to limit imports to what they can pay for. This exception is necessary because countries which were devastated or whose economies were disrupted by the war are not now, and for some time will not be, in a position to earn, by exports or otherwise, the foreign exchange necessary to pay for all that they would like to import. Imports must, therefore, be rationed. Such countries must for the time being do without imported luxuries and other non-essentials in order that available foreign exchange may be spent on food, raw materials, equipment, and other things which they must have to live and to reconstruct their economies. This necessarily requires a strict limitation on the importation of products which they can do without.

The draft charter, therefore, includes rather elaborate and complicated provisions on balance-of-payments matters which parallel provisions in the Monetary Fund agreement. In essence, their purpose is to permit import restrictions for so long, and only so long, as a country's balance-of-payments position requires. The provisions in the charter are designed to insure that these restrictions will come off when they are no longer needed. One of the most important functions of the Trade Organization in consultation with the

Monetary Fund will be to keep the situation of each country under review to see that this is done.

I would only add by way of general comment on these provisions that only by the expansion of international trade to the maximum extent of every country's ability to do so can these balance-of-payments restrictions be gotten rid of. It is only as countries in financial difficulty are able to export and obtain foreign exchange that they will be able to relax the restrictions imposed for balance-of-payments reasons. The proposed charter not only obligates countries to remove such restrictions as soon as they are able but provides the means of doing so at a much earlier date than would otherwise be possible.

Without a charter along the lines of the present draft, balance-of-payments restrictions on imports would tend to create vested interests and would become permanently imbedded for protective reasons. Our traders would have to face these rigid restrictions on their activities, throughout a large part of the world, for years to come.

The chapter on commercial policy also provides that member countries shall enter into negotiations looking to the reduction of tariffs and the elimination of preferences. The procedures to be followed in these negotiations are in accordance with those developed during our long experience in the administration of the Trade Agreements Act. As in the case of previous trade agreements negotiated under the authority of the Trade Agreements Act, these negotiations will involve no horizontal reductions of all tariffs. Tariff concessions will be considered selectively, on a product-by-product basis, after full examination of the position and needs of the producers concerned.

You will note particularly that the draft contains the so-called "escape clause" (art. 34), under which concessions which cause or threaten serious injury to domestic producers may be withdrawn or modified.

I should like also to draw attention to the provisions relating to the important and difficult question of state trading. As the charter is intended to be world-wide in application, its provisions are designed to meet the needs not only of private-enterprise countries but also socialized states, and all shades in between.

The articles on state trading seek to obtain from state-trading countries commitments under which they will make their full contribution to world

trade and to the elimination of discriminations in the conduct of that trade. This is a relatively new aspect of commercial policy, and provisions dealing with state-trading operations have not been adequately tested by experience. In their present form these articles lay down the principles to govern the operation of state-trading countries. These principles will be difficult to administer, at least in the early stages. As cases arise, however, and there is continuous consultation concerning their application, a body of case law should develop which will define with greater precision the rules for the conduct of the commercial relations between state-trading and other countries.

Chapter VI. Restrictive Business Practices

The provisions in chapter VI aimed at restrictive business practices are essential to the program for trade expansion. Action by governments to bring about greater freedom of international trade can be frustrated by restrictive agreements by private monopolistic groups.

The chapter would make a good start in applying in the international field, with the cooperation of other member governments, the philosophy embodied in our own legislation on this subject.

The operations of international cartels have in the past frequently closed off foreign markets to our exporters and denied our importers and consumers access to products at reasonable prices. While our domestic trade has been protected from these abuses by our anti-trust laws, our interests in foreign markets and sources of supply have suffered because of the lack of similar protection in foreign countries. The trade charter would make very substantial progress in the direction of preventing participation by nationals of all countries in practices in which our own traders are forbidden to engage.

The draft charter does not go as far in outlawing restrictive business practices as we should have liked. In view, however, of the widely prevailing philosophy in other countries on this subject, the general acceptance of these provisions would represent a great forward step in the right direction.

It will be noted that under article 44 our own national statutes would remain fully effective.

Chapter VII. Intergovernmental Commodity Arrangements

The subject of commodity agreements is one on which there have been wide differences of view and

much controversy. The provisions in the draft charter take a middle-of-the-road course on this subject. These provisions recognize that in some circumstances commodity arrangements may be necessary. In the case of certain primary products, chronic conditions of oversupply may result in serious and long-protracted difficulties for large numbers of producers. To the extent that distress conditions of this kind affect a substantial part of the producers of a country, the market of that country for the products of other countries is reduced.

Despite the fact that commodity arrangements result in a more or less rigid control of trade and an undesirable degree of regimentation of both production and trade, there may be circumstances in which commodity arrangements become virtually indispensable. In such circumstances the draft charter would permit the negotiation of such arrangements in accordance with procedural requirements and principles which the charter lays down.

On the other hand, the procedures and principles outlined in this chapter are designed to confine the negotiations of such agreements to those cases in which the need for them is clearly established.

Chapter VIII. Organization

With respect to the chapter on organization, the form of the organizational machinery established in the ITO is less important than the commitments member governments are willing to undertake on the substantive matters to which I have referred. These substantive undertakings are of more pressing urgency and significance. However, there is an interdependence between the substantive provisions of the charter and the organizational provisions. This fact warrants your examination of the provisions of the chapter on organization.

I have attempted in this statement to mention only the more important provisions in the draft charter. Whatever the detailed provisions may be to which this and other governments give their ultimate approval, I am fully convinced of the indispensability of an organization functioning under articles of agreement along the lines of the present draft charter. Without this, none of the machinery for international cooperation can work effectively, if it will work at all. And I want to emphasize that, if the machinery for economic cooperation does not work, the machinery for inter-

(Continued on page 595)

The American Position on International News and International Libel

BY ASSISTANT SECRETARY BENTON¹

Since joining the State Department, I have usually appeared before public audiences in this country as an advocate of the American Government's program of international information and cultural relations, or as an advocate of a greater flow of information from the United States to the world and from the world to the United States, or as an advocate of higher standards in all phases of our information industry, or on behalf of UNESCO.

But these are not just American problems. They are the problems of the whole world and thus they are your problems too. We all know that goodwill, stability, and peace in this world in part depend upon a free flow of objective information.

Yours is a heavy responsibility. The way in which you present America to your countries, and what your editors at home do to your copy, has a great deal to do with the future peace of the world. The news and interpretations you transmit to foreign countries, together with those transmitted by foreign news agencies having access to your papers, determine in appreciable measure what the people of the world think about the United States.

On the other hand, the information industry in the United States has an equally heavy responsibility for the way the world is presented to Americans, and for what Americans think about the world.

The relation of governments to this flow of information between peoples is obviously a variable one. In some countries, notably in the Soviet Union, the media of mass communication are in theory in the service of the people acting through the state. In other countries, notably the United States, the media of mass communication are in theory in the service of the people acting through private owners. And in many countries there are varying compromises between state and private ownership and control.

There is not likely to be any agreement among the countries of the world in the near future upon an acceptable, uniform relationship between governments and the media of mass communication.

The United States is not seeking to bring about a uniform system. However, the United States does consider it possible to reach agreement upon reducing barriers to the flow of information between peoples. In fact, we consider that peace itself may depend upon such agreement.

Let me say this in another way. We in the United States believe that the greatest total objectivity in the news is achieved through free investigation, reporting, and publication by private citizens—despite the problems created by the irresponsibility of some of these citizens. We Americans believe that through such a process the greatest number of facts and interpretations will be brought to the attention of the greatest number of our citizens. Finally, we believe that literate citizens, confronted with varying facts and interpretations, will thus get as close to the truth in the news as is possible in this confused world.

We do not expect our system to be universally adopted in the foreseeable future. We do not expect states which own and control information facilities to turn these over to private citizens. Surely there is no recognizable demand in England today to convert the BBC into a commercial enterprise.

Further, if some countries wish to wall themselves off from the rest of the world and tightly control the facilities through which their citizens view the world, giving them a single, standard version of what happens, we shall not like it, and we may even endeavor through negotiations to persuade those countries to open their gates wider; but there is nothing that we now feel can be done beyond that. But do you newsmen agree that if such countries, working behind information walls of their own creation, fill their citizens with consistently one-sided and consistently hostile interpretations about other countries, while at the same time consistently withholding facts and interpre-

¹ Address delivered before the Foreign Press Association at New York, N.Y., on Mar. 19, 1947, and released to the press on the same date. Mr. Benton is Assistant Secretary of State for public affairs.

tations that might work for mutual friendliness and understanding—do you agree that such a policy raises for the international community serious questions? And are not the answers to these questions those which lead directly away from that understanding and mutual trust which alone can provide a stable foundation for peace?

In the domestic area, such a policy is bad enough. But when it is exported in propaganda to other countries its potential mischief is compounded. It becomes international libel.

In many countries, the United States is today portrayed in five stereotypes—as (1) imperialistic, (2) undemocratic, (3) militaristic, (4) reactionary, and (5) culturally backward. These five charges against us would perhaps be unimportant if they were balanced by facts and facets in our national character and policy which do not conform to such stereotypes; but all such non-conformations are rigorously repressed. These five stereotypes concerning America are pounded out daily to readers and listeners, who are denied facts to the contrary.

Our democracy is derided as corrupt, as a fraud on our people, as destined for decay, revolution, and disappearance.

In many countries, news of the United States largely features strikes, reconversion difficulties, labor exploitation, and unrest in such a way as to give the impression that the United States is continuously in the grip of a major crisis. American speeches, editorials, and official statements are selectively quoted so as to corroborate the impression given by such news coverage. Our free press always provides plenty of such corroborative quotes. The quotes are used to prove that these developments are the inevitable accompaniments of the capitalist system, leading inevitably toward chaos.

If the United States refuses loans and favors, it is portrayed as rich and selfish. If it makes foreign loans, or grants favors, it is seeking to enslave foreign people. If it takes a firm position on any matter, it is militaristic and imperialistic. If it yields, it is weak-kneed, and its action is an indication the United States is withdrawing again to isolationism.

Examples of race discrimination and crime, examples of poverty and injustice, all the shortcomings in the functioning of our society and the operation of our institutions are given exclusive

billings in these countries. These misfires are presented as the norm.

Our freedom of the press is portrayed as merely the freedom of rich newspaper magnates to say what they like. Our democratic institutions are described as a deceit to cloak the exploitations of the masses by the capitalists.

You might argue: "But such allegations are merely words that the facts disprove." And I whole-heartedly agree. But the facts are not available in many countries of the world, and not adequately available throughout most of the world.

We in America, as you correspondents know, try to expose and correct our errors and shortcomings in public. It is our way. Any day in the week, prominent United States officials, newspapers, organizations, and radio commentators can be quoted as criticizing sharply the shortcomings of the American political, economic, and social systems. By selective processes, therefore, we can always be made to damn ourselves by our own admissions. I take pride in that.

May I read you an editorial from one of the world's great newspapers, the *Post Dispatch* of St. Louis? Its date is February 19, and it is captioned in Uncle Sam's best radio style, "U.S.A. Calling U.S.S.R." Thus says the *Post Dispatch*:

"Hello, Russia. This is the voice of the U.S.A. We mean to tell you the truth, the whole truth, and nothing but the truth. (Melody: 'Turkey in the Straw') We've got two Governors in Georgia. How come? We don't know, but it's a fact, nevertheless. We have a Senator by the name of Bilbo who likes to call us Americans kikes, dagoes, niggers, etc. One of our favorite pastimes in Congress is what we call the filibuster—where a man gets up and reads Shakespeare and the Sears-Roebuck catalog for a week or more at a time. We are likely to freeze to death when John L. Lewis calls a coal strike and to starve to death when the railroads, trucks and the merchant marine go on strike. Our electric lights and power are likely to be turned off at any time. Scientists all tell us we have a good man in Lilienthal, but the politicians are getting ready to liquidate him. Our Protestants fight our Catholics, our Catholics fight our Protestants and nearly everyone fights our Jews. We lynched a Negro in South Carolina only the other day. Our literacy rate and our murder rate are the highest in the world. We hold a great

many elections but we don't vote. Our school buildings are the finest in the world, but we will soon have no teachers.

"In spite of all these confusing contradictions, we like it over here. We like to do as we please and we have no doubt but that some day we will work things out in this, the land of the free and the home of the brave."

This is the way we Americans like to talk about ourselves. I proudly give this editorial to those who want to use it against us. Print it in full. It is we, the U.S.A. It is the U.S.A. calling the U.S.S.R. It is the *Post Dispatch* of St. Louis, Missouri, one of the world's great newspapers, and wishing there were many more of the same.

We in the United States would of course have no complaint if facts about us were reported in proportion to their true relation to the American scene. Tell the worst; we can take it. We ourselves send the worst all over the world, via our news agencies, along with whatever else is regarded as news. But when foreign governments in control of information, day after day, year after year, concentrate on the abnormal and the malignant aspects of America, while excluding the normal and the benign, then I think those countries construct a barrier to stability and peace that can conceivably prove insurmountable.

This is one of the reasons why the Department of State is today carrying on a program of international information and cultural relations. There are other reasons, which I shall not discuss today, but we cannot overlook the imperative need of correcting distortions and misconceptions that are deliberately spread throughout the world about the United States. How most effectively to correct them, we have not yet entirely learned; this is a very new field for "the land of the free".

Today, I concede that the United States is the only major power where there could be a real likelihood that such an overseas information program could be abolished. Paradoxical as it may seem to you, our Congress is now considering abolishing our overseas broadcasting and other informational activities, while at the same time, fortunately, Congress seems favorably disposed towards appropriating \$400,000,000 to support President Truman's proposal for Greece and Turkey. In Greece, the State Department is proposing a budget for the United States Informa-

tion Service of \$125,000, and in Turkey, one of \$190,000.

I congratulate all countries that constructively and objectively try to explain themselves. We in the United States can learn much from other countries which see this issue more clearly than do we.

International information and cultural activity is of course an important contribution to peace and to the growth of a world community. National cultures are bulging at the seams; nations are inevitably cultivating each other, ever more intensively, across national boundaries.

Most of the larger countries of the world today carry on programs of information and cultural relations outside their borders. The British rank second in this activity, and the United States probably third, although perhaps not far ahead of the French. While all countries engaged in this activity stress their national cultures and their national points of view, most of them contribute on the whole to mutual understanding and trust. They seek to inform and thus to build confidence through knowledge. Thus conducted, international information and cultural activity is useful, in fact indispensable, in this interdependent world.

But if information is debased into propaganda, in the American sense of the term, and if an information organization is largely devoted to psychological warfare, to building up hostility and fear toward other nations, this of course tends to create a world environment of fear and suspicion.

In totalitarian countries, facts and information are yard goods to be cut into the idea fashions of the day. In such countries these fashions are mandatory, and they are exported throughout the world, to all countries, by enormous and efficient organizations.

For example, the most efficient outlets of Soviet propaganda abroad are the local Communist parties, their newspapers, magazines, and radios in the service of the Soviet propaganda line. Over and above these local Communist parties, chief overt and official organs of Soviet propaganda abroad are (1) the Soviet Information Bureau; (2) Soviet Embassies with their press staffs and publications; (3) Tass News Agency; (4) the All Union International Book Combine; (5) the Combine for Foreign Cinema Trade; and (6) the All Union Committee for Radio Broadcasting and

Radio Communication, which has a special division for broadcasting to foreign countries.

Russian short-wave radio programs go out on an estimated thirty to forty transmitters for a total of 266 program-hours a week in thirty-one languages. Eighteen hours and forty minutes of *political talks* are aimed each week at North America, in Yiddish as well as English. Eight hours and forty-five minutes more of other programs are beamed on North America and the United Kingdom.

In addition to official agencies, there are a number of non-official or semi-official Soviet organs which carry on extensive Soviet cultural relations abroad designed to strengthen friendship with the Soviet Union. These include (1) the All Union Society for Cultural Relations With Foreign Countries, popularly known as VOKS; (2) the All Slav Committee; (3) the All Union Central Council of Trade Unions; (4) a series of societies for cultural relations with individual countries.

And may I examine for a moment the scope of Soviet activity at the receiving end? For example, let us take France.

The Soviet Information Bureau in Paris is officially responsible for the circulation of Soviet publications in France, whether printed in France or in the U.S.S.R. One of these publications, printed in Paris, is a weekly called *La Vie Sovietique*. Another is *Temps Nouveaux*, which is printed in Moscow and appears twice a month. It is devoted principally to foreign affairs.

But these official Soviet publications are relatively insignificant compared to the French Communist and Communist-controlled press which comprises 16 daily papers and 63 weekly papers in continental France alone.

There also flourishes in France an organization known as France-U.S.S.R., an association founded with the stated aim of cultivating and developing friendship between France and the Soviet Union. It is the vehicle for Soviet cultural activities in France and serves as an instrument for promoting interest in the Soviet Union. Membership of France-U.S.S.R. was announced as 195,000 in January 1946.

At the Congress of France-U.S.S.R. held on April 6 and 7, 1946 it was announced that the organization had 54 departmental and 1,452 local committees. Each committee has a local office—perhaps merely a small reading room, but replete

with Soviet literature and with at least one attendant or employee. Think of it: 1,452 committees and offices in this one country alone! My total staff of United States Information Service officers is now budgeted at 372 Americans for the entire world.

In China, the counterpart of France-U.S.S.R. is the Sino-Soviet Cultural Association, which has branches over much of China. This association arranges film showings, lectures, and discussions. The Soviet Union also carries on directly in China extensive propaganda activities. These activities in China include numerous magazines and newspapers in Russian, English, and Chinese, a Russian radio station, a film organization for the distribution of Soviet films, an organization engaged in the distribution of Chinese-language printed matter, a Soviet youth organization, and a Soviet women's organization. Until recently, the activities included a radio station in Shanghai. These are entirely aside from the extensive activities of the Chinese Communists, who control large sections of China.

In the Balkans and Middle East Soviet propaganda and cultural activity is even more intensive than in western Europe and the Far East. And in Latin America Soviet propaganda is far from laggard.

And what are the defenses of free peoples against psychological warfare in peacetime? Our defenses are the truth, the facts, freedom of information, and programs of international information. Free peoples could not carry on the kind of psychological warfare waged by totalitarian states even if they wanted to. They simply are not equipped for it. They are obliged by their moral position, their character, and their political organization to avoid the techniques of psychological warfare. But they can and they should use all the media of modern communication on a scale broad enough to "cover the earth with truth", as Secretary Marshall has put it. This is what the State Department's program of international information and cultural relations is seeking to do today. Further, the State Department is seeking through all the means at its command to remove barriers to the flow of information throughout the world.

To us in the United States, freedom of information is not a golden phrase, beautiful but meaningless. It is an ideal towards which we must

work concretely. And we are convinced that unless the world achieves substantial progress towards that ideal it will have no assurance of permanent peace.

The United States seeks, first, to make fullest use of the machinery of the United Nations to bring about international agreement in this area. We are supporting the permanent Subcommittee on Freedom of Information, and we shall do our best to make a success of the International Conference on Freedom of Information which is to be held under the auspices of the United Nations. We feel that, by focusing international attention upon barriers to freedom of information and upon national abuses arising in this area, nations may be persuaded to relax their own barriers and cease abuses committed behind barriers against friendly nations and peoples.

We are hopeful of achieving useful international conventions in this field. If agreement is not reached, however, it may be that the General Assembly or the Security Council of the United Nations will want to concern themselves more directly with the problems inherent in international libel conducted behind barriers to free information, from the point of view of the preservation of peace and security.

The Department of State is now exploring the possibility of a program of bilateral negotiations with foreign countries covering a wide range of barriers to freedom of information. Over a period of years we are determined to make genuine progress in removing barriers to freedom of information. We shall continue to pursue this goal by both multilateral and bilateral negotiations. In these ways we hope to develop an ever widening respect, affirmed in definite undertakings for the principles and practices of freedom of information.

To conclude and to summarize: My thesis is a very old and a very honored thesis. It is that all human beings have the capacity to understand, and that understanding among peoples makes for peace. Perhaps for the first time in history our survival as a race depends upon the application of these principles to practical affairs.

Abraham Lincoln said you can't fool all the people all the time. But new techniques of control and distortion have shown that it is increasingly

possible, in given areas, to fool most of the people most of the time. These controls and these techniques are the enemies of both understanding and peace. And they have developed at the very time when it has become clear that there is no thinkable alternative to world-wide understanding among all men everywhere.

As responsible journalists, you know the problem, the danger, and the promise; and you will, I know, continue to throw your weight into the unending battle for understanding. All your weight is not one pound too much.

ITO Hearings—*Continued from page 590*

national cooperation in other fields will eventually and inevitably break down.

Political questions arise between nations now and then; economic contacts and relationships are of hourly occurrence between most nations in the world. Most real differences between nations have their origin in economic causes. The seeds of future conflicts have often been planted in the failure to adjust such differences promptly and equitably.

Moreover, there is a very close relationship between economic and political questions. This has recently been strikingly illustrated. The President in his recent address to the joint session of Congress on the Greek and Turkish situation said that the seeds of totalitarian regimes are nurtured by misery and want; that they spread and grow in the evil soil of poverty and strife; and that they reach their full growth when the hope of people for a better life has died. The President said, therefore, that our help to the countries concerned should be primarily through economic and financial aid, which is essential to economic stability and orderly political processes.

For the time being, we must give direct financial help. But we should move as rapidly as possible to complete arrangements for international economic cooperation which will enable countries requiring assistance to get on their feet as quickly as possible. In this way we can in time accomplish our purposes not only without cost but with positive advantage to ourselves. This is so because the expansion of international trade through cooperation with other countries will greatly increase the prosperity of the United States.

American Attitudes on Allied Occupation of Japan

REMARKS BY AMERICAN REPRESENTATIVE TO ALLIED COUNCIL¹

[Released to the press March 19]

The Supreme Commander has suggested that I lay before the Council my observations during my recent visit to the United States as to the general attitudes and opinions of American governmental officials and the American people in regard to the Allied occupation of Japan. I am very glad to do this.

I was privileged to have an opportunity to discuss the occupation and some of its problems with a number of the highest officials of the United States Government. As I recently stated to the press, the American Government is solidly behind the Supreme Commander. Also, in discussions with a wide variety of people in different parts of the United States I gained a definite impression that the American people as a whole are much gratified at the progress of the occupation and are giving General MacArthur their fullest support. The American people are proud of what the Supreme Commander has accomplished; they are proud of the Allied occupation; they look upon the occupation as a bright spot in a troubled world and one where wholehearted Allied cooperation can achieve Allied goals to the benefit of the entire world.

There was not as complete news coverage of events and developments in Japan as I should like to see in the American press. But I found among the American people at large a very keen interest in our problems here and also what seemed to me to be a very common-sense attitude toward both the present and the future. There is very naturally a feeling among the American people that the Japanese must prove themselves. So far, the American people are impressed by the spirit of cooperation which the Japanese have shown and

by the energy and diligence of the average Japanese in working to rehabilitate his life and the economic life of this country. The great difficulties facing the Japanese are appreciated. American commercial firms, notably those who previously have had interests in this part of the world, are prepared to assist in practical and mutually beneficial ways in the development of the peacetime economy in Japan and in international trade. This readiness can be, I think, encouraged by Japanese determination to do everything possible to make the most of their commercial and economic resources, including labor, and the development of productive cooperation between capital and labor. American businessmen, as well as the rest of the American people, hope for and look forward to a peaceful and prosperous world. American businessmen desire to do their part in furthering the establishment of peaceful and prosperous relationships between all countries. But American businessmen seeking markets for American goods abroad or for foreign products to sell in the United States have grown through experience to be much more hardheaded than they sometimes have been in the past. They do not seek large profits. They seek the development of sound business—but they cannot be expected to speculate or sink money into enterprises when stability and reasonable security are lacking. Workable and stringent steps by the Japanese to control inflation in general, and practical progress in such specific problems as the establishment of a fair and realistic relationship between prices and wages, could, it was felt, do much toward this end.

I found a general realization among those interested in the occupation that Japanese industrialists must be informed without delay what plants are to remain so that they can produce goods for their own peacetime needs and for export to pay for necessary imports for food and greatly needed raw materials and other essentials to ordinary life.

¹ Substance of remarks made on Mar. 19 at the regular meeting of the Allied Council for Japan by George Atcheson, Jr., who is both American Representative and Chairman of the Allied Council.

When this question is settled—and I hope that it will be very soon—Japanese economy can make a considerable stride forward if Japanese industrial interests and workers are willing, as I think they are, to put forward their best efforts to revive peacetime production.

While speaking of the general attitude of the American people, I might add that my impression is that most of them have an objective and non-emotional attitude toward Japan. While they do not forget, they are not vengeful and their eyes are turned to the future. They expect Japan to be given access to the resources of raw materials and exports of other countries for Japan's peacetime needs; they expect the Japanese to do their share in the eventual development of mutually beneficial economic exchanges with other countries. The American people expect the Japanese people to fashion Japan into a truly democratic and cooperative member of the commonwealth of nations. Effective Japanese political and economical efforts to this end will continue to meet with favorable American interest and assistance.

Allied Council for Japan. I was interested to find how closely the proceedings of this Council are followed by persons of high place in the United States. I had the privilege of meeting with the Far Eastern Commission, and, while its proceedings are as you know confidential, I am sure that there is no breach of faith if I tell you that the members take a very keen interest in what goes on among us here. I heard expressed a general view that the Council affords the Allies represented here a favorable opportunity to voice constructive advice and suggestions for consideration by the Supreme Commander, to assist him in his tremendous task, so important to all of us, in showing the Japanese people and nation the way of becoming a democratic, peace-loving member in good standing of the United Nations.

General strike. I was in the United States at the time of the recent threatened strike of Japanese Government employees. I heard considerable surprise expressed that, in the midst of severe economic crisis, unions of Government employees should contemplate a strike which would be ruinous to Japanese economy. People in general seem to feel that the Japanese deserve help if they are willing to help themselves. Opinion was unanimous in supporting General MacArthur's intervention and stoppage of the strike. A number of people con-

sidered that a good deal of ground has been lost in healing the wounds of war as a result of a situation engendered by the strike threat and the endeavors, as reported in the press, of some of the misguided strike leaders to circumvent the Supreme Commander by appealing to members of the Allied Council.

The strike threat was generally regarded in the United States as purely political in purpose and not motivated by the natural desire of the workers to bring about improvements in their conditions of living or to work needed reforms in the bureaucracy which has had a feudalistic stranglehold on much of the governmental machinery of this country. The union members were regarded as dupes and tools of the aggressive minority which in so many cases has been manipulating unions in this country for selfish and ulterior political purposes. The Japanese are considered in the United States to be a very patriotic people and any action taken by individual Japanese or Japanese groups which is harmful to Japan in this period of economic emergency causes both surprise and concern—concern because it causes Americans to wonder whether, with all their organizational genius, the Japanese people are capable of organizing a peacetime economy and of integrating themselves into the new post-war world. I believe that the Japanese people are in fact capable of achieving these objectives.

Trade unions. I encountered condemnation of the wide tendency on the part of Japanese trade unions, in their new-found freedom, to place emphasis upon political aims. Gratification was expressed that such rapid progress had been made in the organization of labor unions, but it seemed generally felt that the unions in Japan are somewhat lacking in discipline, fail to appreciate the full obligations which unionization entails, and appear to be concerned too unilaterally with the rights which are granted to union organizations. As you know, encouragement of union organization so that unions can bargain in an orderly way for the just rights of labor was one of the earliest actions of the Supreme Commander. In consonance with the general sentiment of the American people, the United States Government felt that one of the first freedoms to be given the Japanese people should be the right to organize unions and protect the rights of workers, which had been largely suppressed. The American Government

expected that the newly created unions would contribute much to the democratization of Japan. It is felt now that the unions themselves must adopt democratic practices and become truly democratic bodies if they are to make such contribution.

Education. The several educators with whom I spoke were in full accord with the direction given by the Supreme Commander in the decentralization and liberalization of the Japanese educational system. These educators were of the opinion that Japan's future lies largely in its young people who are now in school and who are beginning to receive a liberalized education which is, in addition, teaching them how to think. There was some feeling that the Japanese educational authorities could take more determined steps to hasten the process. One step I heard mentioned was the improvement of the livelihood of the teachers and related measures to make the teaching profession sufficiently attractive so that it could be assured of always attracting capable and zealous people.

I heard hope expressed that the problem of language simplification would be solved by the Japanese in a common-sense and workable way as it is felt that only in this manner could the Japanese take full and equal advantage of the great literature and scientific knowledge of the western world.

The new constitution. The American people are also much gratified with the progress toward democratization of Japan as revealed in their new constitution. They look forward with interest to the forthcoming elections, which will provide the Japanese people with opportunity to select their representatives for the Parliament which is to operate under this constitution when it comes into effect.

Special U.S. Diplomatic Mission to Nepal

[Released to the press March 21]

Joseph C. Satterthwaite, veteran Foreign Service Officer now assigned to the Department of State, has been designated by the President as his personal representative with the rank of Minister to be chief of a special United States diplomatic mission to the Kingdom of Nepal. Mr. Satterthwaite will depart from Washington at the end of the month on the special mission, the purpose of which is to conclude an agreement of commerce and friendship with the Government of Nepal and to make arrangements for the exchange

of diplomatic and consular representatives between the United States and Nepal. While on this special mission Mr. Satterthwaite will be assisted by the following advisers: Samuel H. Day, Counselor of Embassy for Economic Affairs, New Delhi; Lt. Col. Nathaniel R. Hoskot, Assistant Military Attaché, New Delhi; Raymond A. Hare, Foreign Service Officer, Department of State; William Johnstone, Public Affairs Officer, New Delhi; J. Jefferson Jones III, American Vice Consul, Bombay; Charles W. Booth, American Vice Consul, Karachi.

Nepal, often called the "Mountain Kingdom", lies between Tibet on the north and India on the south. It has a population of some six or seven million persons. Its capital, Katmandu, is reached by overland travel from northeastern India and part of the journey requires travel on foot or on horseback. For many years the Nepalese Government has followed a policy of semi-isolation. It has, however, maintained diplomatic relations with Great Britain, and in a treaty concluded in 1923 between the two countries the external and internal independence of Nepal was specifically recognized.

The proposed inauguration of diplomatic relations between the United States and Nepal arises from a series of informal contacts between officials of the two countries beginning in 1945 when American technical experts attached to the office of the United States Foreign Economic Administration at New Delhi were invited to visit Nepal to discuss informally the economic development of that country and the possibility of establishing direct trade with the United States. At about the same time the Nepalese Minister at London visited the United States and called on several high American officials including the President. In July 1946 a Nepalese good-will mission spent several weeks in the United States as guests of the Department of State and the War Department. When George R. Merrell, American Chargé d'Affaires ad interim at New Delhi, visited Katmandu in November 1946 for the purpose of decorating His Highness the Maharaja and Prime Minister of Nepal with the Legion of Merit in recognition of his services in making troops available for the Allied war effort in the India-Burma theater, the Nepalese Government invited this Government to send a special mission to Nepal to conclude an agreement of commerce and friendship and to establish diplomatic relations.

The special United States mission to Nepal will discuss other matters of mutual interest with Nepalese authorities, particularly their desire to investigate and develop their country's natural resources with a view to achieving an improvement in the Nepalese standard of living and to expanding Nepalese trade with the United States and other countries.

Uruguayan Professor To Visit U.S.

Felipe Gil, secretary general of the University of Montevideo, Uruguay, has received a grant-in-aid from the Department of State to enable him to visit universities and educational centers and confer with colleagues in the fields of university administration and law in the United States. Dr. Gil is one of a distinguished group of specialists who have been awarded grants by the Department of State for the exchange of professors and specialists between the United States and the other American republics. He will remain in the United States from March to May, 1947. His itinerary

will include Washington, Baltimore, Philadelphia, Princeton, New York, Boston, Ann Arbor, Chicago, San Francisco, and Los Angeles.

U.S. and Siam Raise Missions to Embassies

[Released to the press March 18]

The Department of State announced on March 18 that agreement has been reached between the Governments of the United States and Siam to raise their respective diplomatic missions to the rank of Embassy and to exchange Ambassadors.

Foreign Commerce Weekly

The following article of interest to readers of the BULLETIN appeared in the March 15, 1947, issue of *Foreign Commerce Weekly*, a publication of the Department of Commerce, copies of which may be obtained from the Superintendent of Documents, Government Printing Office, for 15 cents each:

"Canada's Economy in 1946—Reconversion Won, Output Rises", by Paul F. DuVivier, Third Secretary and Vice Consul, American Embassy, Ottawa.

Addresses and Statements of the Week

The Secretary of State	Relating to Questions before the Council of Foreign Ministers. In this issue.	Made at Moscow at Meetings of the Council of Foreign Ministers.
Acting Secretary Acheson	Aid to Greece and Turkey. In this issue.	Made before House Foreign Affairs Committee on Mar. 20.
Under Secretary Clayton	On Draft Charter for ITO. In this issue.	Made on Mar. 20 before Senate Finance Committee.
Assistant Secretary Benton	The American Position on International News and International Libel. In this issue.	Made on Mar. 19 in New York City.
Clair Wilcox, Director of Office of International Trade Policy	On the subject of ITO. Summary printed in this issue.	Made on Mar. 17 in Washington before the United Nations Forum.
Assistant Secretary Thorp	Tariffs, Cartels, and the Mineral Industry. Department of State press release 203 of Mar. 18. Not printed.	Made on Mar. 18 in New York City before the American Institute of Mining and Metallurgical Engineers.
Assistant Secretary Braden	American Mining Enterprises in Foreign Countries. Department of State press release 195 of Mar. 19. Not printed.	
Ambassador Lincoln McVeagh	Greek Independence and the United States. Department of State press release 226 of Mar. 23. Not printed.	Made on Mar. 23 in Boston, Mass., before the Greek-American Organization of Greater Boston in honor of Greek Independence Day.

THE DEPARTMENT

Departmental Regulations

182.4 Department of State Participation in Interdepartmental Intelligence Activities: (Effective 2-6-47)

I CENTRAL INTELLIGENCE GROUP (CIG), NATIONAL INTELLIGENCE AUTHORITY (NIA). Personnel of the Department of State on duty with CIG shall remain under the administrative control of the Special Assistant for Research and Intelligence and shall be operationally responsible to the Director of Central Intelligence in accordance with the letter from the President to the Secretary of State, Secretary of War and Secretary of the Navy dated January 22, 1946, which established NIA and CIG, and directed that:

A "Within the limits of available appropriations, you shall each from time to time assign persons and facilities from your respective Departments, which persons shall collectively form a Central Intelligence Group and shall, under the direction of a Director of Central Intelligence, assist the National Intelligence Authority.

B "Subject to the existing law, and to the direction and control of the National Intelligence Authority, the Director of Central Intelligence shall:

1 "Accomplish the correlation and evaluation of intelligence relating to the national security, and the appropriate dissemination within the Government of the resulting strategic and national policy intelligence. In so doing, full use shall be made of the staff and facilities of the intelligence agencies of your Departments.

2 "Plan for the coordination of such of the activities of the intelligence agencies of your Departments as relate to the national security and recommend to the National Intelligence Authority the establishment of such over-all policies and objectives as will assure the most effective accomplishment of the national intelligence mission.

3 "Perform, for the benefit of said intelligence agencies, such services of common concern as the National Intelligence Authority determines can be more efficiently accomplished centrally.

4 "Perform such other functions and duties related to intelligence affecting the national security as the President and the National Intelligence Authority may from time to time direct."

II JOINT INTELLIGENCE STUDIES PUBLISHING BOARD (JISPB). Personnel of the Department of State assigned to JISPB shall remain under the administrative control of the Director of the Office of Intelligence Research (OIR) and shall be operationally responsible to the Board for the participation in coordinating and editing contributions from all participating Federal agencies to the Joint Army-Navy Intelligence Studies (JANIS) including maps, charts and diagrams, and in completing the final studies.

183.5 Advisory Committee on Intelligence (ACI): (Effective 2-6-47)

I FUNCTIONS. ACI shall serve as an advisory and consultative body to the Special Assistant to the Secretary for Research and Intelligence with respect to the discharge of his substantive responsibilities for the Departmental and national intelligence programs.

II MEMBERSHIP. ACI is composed of the following or their designated representatives: The Special Assistant for Research and Intelligence, as Chairman; the Assistant Secretary for Administration; the Assistant Secretary for Economic Affairs; the Assistant Secretary for Occupied Areas; the Assistant Secretary for Public Affairs; the Directors of the following Offices: American Republic Affairs (ARA), European Affairs (EUR), Far Eastern Affairs (FE), Near Eastern and African Affairs (NEA), Special Political Affairs (SPA), Intelligence Research (OIR), and Intelligence Collection and Dissemination (OCD).

III MEETINGS. The Committee will determine the time and place of its meetings and its procedures.

IV SUBCOMMITTEES. ACI shall establish any subcommittees which it finds necessary and direct the manner in which they function.

V SECRETARIAT. The secretariat for ACI and any subcommittees it may establish shall be provided by the Special Assistant for Research and Intelligence.

141.22 Division of Northeast Asian Affairs (NA): (Effective 2-15-47)

I FUNCTIONS. Under the general direction of the Director of the Office of Far Eastern Affairs (FE), NA shall be responsible for the formulation and coordination of over-all United States policy and action in regard to all aspects of United States relations with countries in the area of responsibility; and, as to these countries, the coordination of the programs and activities of other Divisions and Offices of the Department and of other Government agencies with over-all United States foreign policy.

II AREA OF RESPONSIBILITY. The area of responsibility of NA covers Japan, Korea, the former Japanese mandated islands in the Pacific, former Japanese island possessions now under the *de facto* control of the United States, and, in conjunction with the Division of Eastern European Affairs (EE), the Soviet *Far Eastern Region*, including former Japanese possessions now under Soviet control.

THE CONGRESS

Recommendation for Assistance to Greece and Turkey: Address of the President of the United States delivered before a joint session of the Senate and the House of Representatives, recommending assistance to Greece and Turkey. H. Doc. 171, 80th Cong. 5 pp.

PUBLICATIONS

Department of State

During the quarter beginning January 1, 1947, the following publications have been released by the Department:¹

2531. Papers Relating to the Foreign Relations of the United States: The Paris Peace Conference, 1919. Vol. VIII. iii, 986 pp. \$2.25 (buckram).
2599. Papers Relating to the Foreign Relations of the United States: The Paris Peace Conference, 1919. Vol. IX. iv, 1053 pp. \$2.75 (buckram).
2636. Information for Bearers of Passports, March 1, 1946 (Replaces revision of February 1, 1941, entitled Notice to Bearers of Passports). Passport Series 5. 71 pp. Free.
2643. Transfer of Defense Installations and Equipment: Agreement Between the United States of America and Canada—Effected by exchange of notes signed at Ottawa March 30, 1946, effective March 31, 1946; and Amendment—Effected by exchange of notes signed at Ottawa July 11 and 15, 1946, effective July 15, 1946. Treaties and Other International Acts Series 1531. 13 pp. 10¢.
2645. Sanitary Aerial Navigation: Protocol Between the United States of America and Other Powers, Extending the International Sanitary Convention for Aerial Navigation of December 15, 1944, Modifying the Convention of April 12, 1933—Open for signature at Washington from April 23, 1946 to May 1, 1946; ratified and proclaimed by the President and effective with respect to the United States of America August 6, 1946. Treaties and Other International Acts Series 1552. 8 pp. 5¢.
2649. Air Transport Services: Agreement Between the United States of America and Sweden Amending the Agreement of December 16, 1944—Effected by exchange of notes dated at Stockholm December 4, 1945; effective December 4, 1945. Treaties and Other International Acts Series 1550. 3 pp. 5¢.
2650. Double Taxation, Taxes on Income: Convention Between the United States of America and the United Kingdom, and Protocol—Signed at Washington April 16, 1945 and June 6, 1946, respectively; ratified by the President of the United States of America June 26, 1946; ratifications exchanged at Washington July 25, 1946; proclaimed by the President July 30, 1946. Treaties and Other International Acts Series 1546. 16 pp. 10¢.
2652. The Inter-American System: Arrangements Between the United States of America and Other American Republics, Embodied in Resolution IX of the Final Act of the Inter-American Conference on Problems of War and Peace—Signed at Mexico City March 8, 1945; effective March 8, 1945. Treaties and Other International Acts Series 1548. 15 pp. 10¢.
2653. Moscow Agreement, 1945, Between the United States of America, the Union of Soviet Socialist Republics, and the United Kingdom—Formulated at the Meeting of the Ministers of Foreign Affairs of those countries held at Moscow December 16–26, 1945; signed at Moscow December 27, 1945. Treaties and Other International Acts Series 1555. 11 pp. 5¢.
2655. Report to Congress on Foreign Surplus Disposal, October 1946. 59 pp. 15¢.
2658. Recaptured Vessels, Use and Disposition: Agreement Between the United States of America and the United Kingdom—Effected by exchange of notes signed at Washington May 7 and June 15, 1945; effective from October 22, 1943. Treaties and Other International Acts Series 1556. 7 pp. 5¢.
2659. Double Taxation, Taxes on Estates of Deceased Persons: Convention Between the United States of America and the United Kingdom—Signed at Washington April 16, 1945; ratified by the President of the United States of America June 26, 1946; ratifications exchanged at Washington July 25, 1946; proclaimed by the President July 30, 1946. Treaties and Other International Acts Series 1547. 9 pp. 5¢.
2665. Participation of the United States Government in International Conferences, July 1, 1941–June 30, 1945. Conference Series 89. 232 pp. 45¢.
2666. Naval Mission: Agreement Between the United States of America and Brazil, Extending the Agreement of May 7, 1942—Effected by exchanges of notes signed at Washington January 3 and 18, March 21, May 2, June 8, August 10, and September 17, 1946; effective from May 7, 1946. Treaties and Other International Acts Series 1559. 12 pp. 5¢.
2668. The Department of State Bulletin Index, vol. XIV, nos. 341–365, January 6–June 30, 1946. 36 pp. Free.
2672. Products on Which Possible Tariff Concessions Will Be Considered in Reciprocal Trade Agreement Negotiations. Commercial Policy Series 96. 82 pp. Free.
2674. Air Transport Services: Agreement Between the United States of America and Czechoslovakia—Signed at Praha January 3, 1946; operative from January 3, 1946; effective definitively June 17, 1946. Treaties and Other International Acts Series 1560. 12 pp. 5¢.
2675. Sanitary Maritime Navigation: Protocol Between the United States of America and Other Powers Extending the International Sanitary Convention of December 15, 1944, Modifying the Convention of June 21, 1926—Open for signature at Washington from April 23 to May 1, 1946; ratified and proclaimed by the President and effective as to the United States August 6, 1946. Treaties and Other International Acts Series 1551. 8 pp. 10¢.
2676. Financial Agreement Between the United States of America and the United Kingdom—Signed at Washington December 6, 1945; effective July 15, 1946. Treaties and Other International Acts Series 1545. 8 pp. 5¢.
2677. United Nations Food and Agriculture Organization: Constitution adopted by the United States of America and Other Governments—Signed at Quebec October 16, 1945; effective October 16, 1945. Treaties and Other International Acts Series 1554. 15 pp. 10¢.

¹ Serial numbers which do not appear in this list have appeared previously or will appear in subsequent lists.

PUBLICATIONS

2678. Naval Mission: Agreement Between the United States of America and Colombia—Signed at Washington October 14, 1946; effective October 14, 1946. Treaties and Other International Acts Series 1563. 12 pp. 5¢.
2679. Act of Chapultepec: Agreement Between the United States of America and Other American Republics Contained in the Final Act of the Inter-American Conference on Problems of War and Peace—Signed at Mexico City March 8, 1945; effective March 8, 1945. Treaties and Other International Acts Series 1543. 14 pp. 10¢.
2680. The United States and Economic Collaboration Among the Countries of Europe. Article by H. van B. Cleveland. European Series 20. 18 pp. 10¢.
2683. North American Regional Broadcasting: Interim Agreement Between the United States of America and Other Governments—Signed at Washington February 25, 1946; effective March 29, 1946. Treaties and Other International Acts Series 1553. 25 pp. 10¢.
2684. Declaration Regarding Germany by the United States of America and the United Kingdom of Great Britain and Northern Ireland, the Union of Soviet Socialist Republics, and the Provisional Government of the French Republic—Signed at Berlin June 5, 1945; effective June 5, 1945. Treaties and Other International Acts Series 1520. 25 pp. 10¢.
2685. Radio Teletype Communication Channels: Agreement Between the United States of America and the Union of Soviet Socialist Republics—Signed at Moscow May 24, 1946; effective May 24, 1946. Treaties and Other International Acts Series 1527. 11 pp. 5¢.
2687. Military Aviation Mission: Agreement Between the United States of America and Peru—Signed at Washington October 7, 1946; effective October 7, 1946. Treaties and Other International Acts Series 1562. 16 pp. 10¢.
2688. Friendship and Commerce: Agreement Between the United States of America and the Kingdom of the Yemen—Signed at Sana'a May 4, 1946; effective May 4, 1946. Treaties and Other International Acts Series 1535. 9 pp. 5¢.
2691. Mutual Aid Settlement: Agreement Between the United States of America and Turkey—Signed at Ankara May 7, 1946; effective May 25, 1946 pursuant to exchange of notes of that date. Treaties and Other International Acts Series 1541. 16 pp. 10¢.
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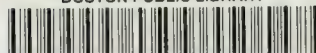
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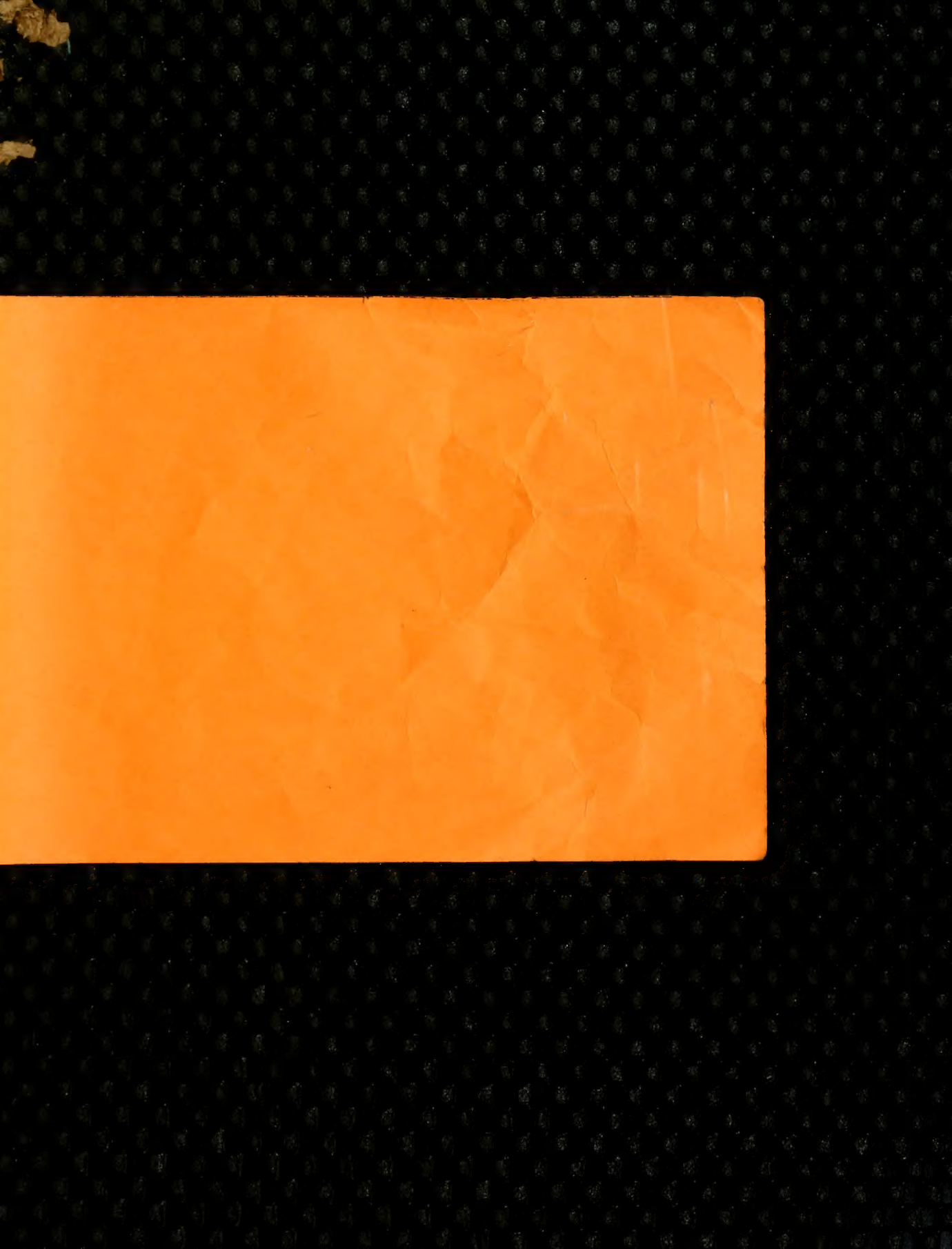
John A. Loftus, author of the article on the ILO petroleum-industry meeting, is Chief of the Petroleum Division, Office of International Trade Policy, Department of State.

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